

The NATIONAL UNDERWRITER



*N*INETY YEARS AGO, the great white oak which had served as a hiding place for Connecticut's Charter was still standing. It was however but a shell of its former sturdy self. Time and the elements had contrived to enlarge enormously the hollow which had sheltered that valuable document on that critical Allhallow Eve in 1687. It was so large, in fact, that visitors often climbed into the cavernous space. Some did it undoubtedly to feel a closer association to that historic incident. Some did it as a boyish and boisterous stunt.

It was in this latter spirit that, from New Haven on September 22, 1854, came two companies of visiting firemen, to the foot of the tree which had been the focal point of gatherings by the Indians long before white men had arrived. A challenge was issued as to which company could manage to squeeze the greater number of its members into the hole in the trunk. It is reported that of the first

company, twenty-four men crammed their contorted bodies into those narrow confines. Not to be outdone by this human jig-saw puzzle, the second company fitted twenty-eight of its members into that hallowed hollow.

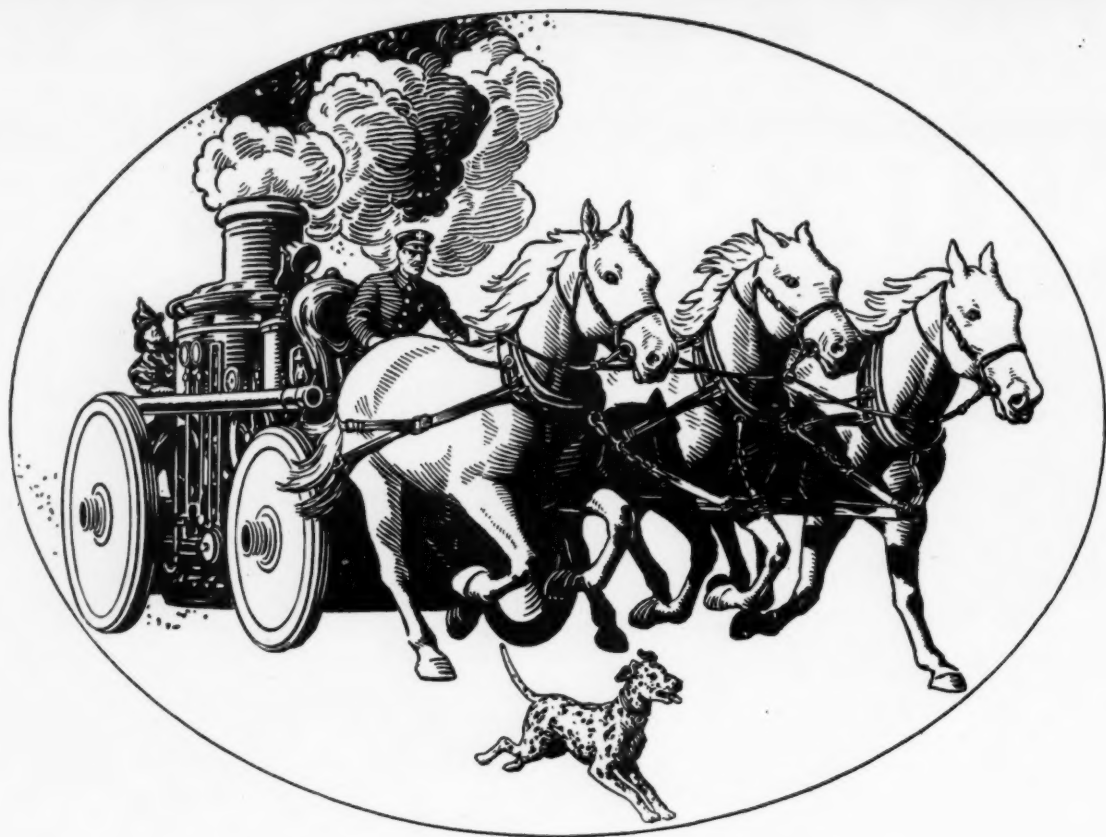
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The ninetieth anniversary of this relatively unimportant bit of history serves as a reminder of a condition of considerable importance to owners of property. Many persons are squeezing large present-day values into the limited protection of a fire policy written years ago. In the meantime the replacement value of property has increased; many items of furniture, clothing and equipment have been added to the household inventory.

Check up on your client's fire insurance policies and be sure that they have as much protection today as they would want to have the day after a fire.

The CHARTER OAK FIRE INSURANCE COMPANY
Hartford, Connecticut.
ONE OF THE TRAVELERS COMPANIES

THURSDAY, OCTOBER 5, 1944



FIGHTING FIRES OR PAYING LOSSES

Horse-drawn fire engines were good in their day, but buildings grew in size, cities expanded in area and an automotive world has rendered yesterday's fire-fighting apparatus obsolete.

Fire Insurance, too, has kept pace with progress. The Fire Insurance Policy of yesterday was good, but the increasing demands of modern living have brought forth new and vastly broadened protection.

It is essential, in these days of increased values and high replacement costs, to make certain that property owners have enough Fire Insurance to adequately protect them. Many properties today are greatly under-insured. It is equally important to recommend modern, broad form dwelling and contents insurance, written to include protection against loss caused by wind, explosion, hail, riot, smoke, vehicle and aircraft in addition to fire.



AUTOMOBILE INSURANCE COMPANY • STANDARD FIRE INSURANCE COMPANY

HARTFORD, CONNECTICUT

All Forms of Fire and Marine Insurance

AFFILIATED WITH AETNA LIFE INSURANCE COMPANY, AETNA CASUALTY AND SURETY COMPANY



"Hey, Fellows it's a boy!"

Days and weeks of silence from the pretty little wife that he'd left behind just when he'd most wanted to be with her. Then this brief but joyous message—"Son born—Mother doing fine." You can bet that *he* appreciates the American Red Cross. For it was the Red Cross that got the message through that substituted happiness for anxiety. The Red Cross was right there at home, too—Nurse's and Dietitians' Aides in the hospital;



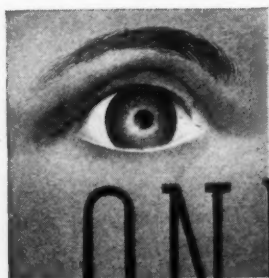
later home nursing service to see that every little care was provided. Yes, the American Red Cross is doing *what it can* to do everything *he'd* want to do for her—as well as everything *she'd* want to do for him. And this story might be repeated countless times all over the country and all over the world. So let's give a hand—a helping hand if possible—to this fine organization which knows no other reward than satisfaction in having been of service.

This is the eighth of a series of advertisements dedicated to the American Red Cross by

THE HOME INSURANCE COMPANY, NEW YORK

FIRE • AUTOMOBILE • MARINE

KEEP YOUR



ON PARCEL POST

.....For, more Parcel Post Insurance will be sold during the next three months than during any other period of the year.

Retailers, wholesalers, sales agents, manufacturers and others who ship by mail regularly, will **save** considerable money by carrying our Parcel Post Insurance. As well, our plan provides economy in time and effort, eliminates needless detail and "red tape"—and, *most important*, ensures prompt loss adjustments.

Write our Advertising Department for sample letters and advertising to aid you in soliciting Parcel Post Insurance accounts.

North British and Mercantile Insurance Company Limited

The Pennsylvania Fire Insurance Company

The Commonwealth Insurance Company of New York

The Mercantile Insurance Company of America

The Homeland Insurance Company of America

150 WILLIAM STREET, NEW YORK 8, N. Y.

New York

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Philadelphia

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Boston

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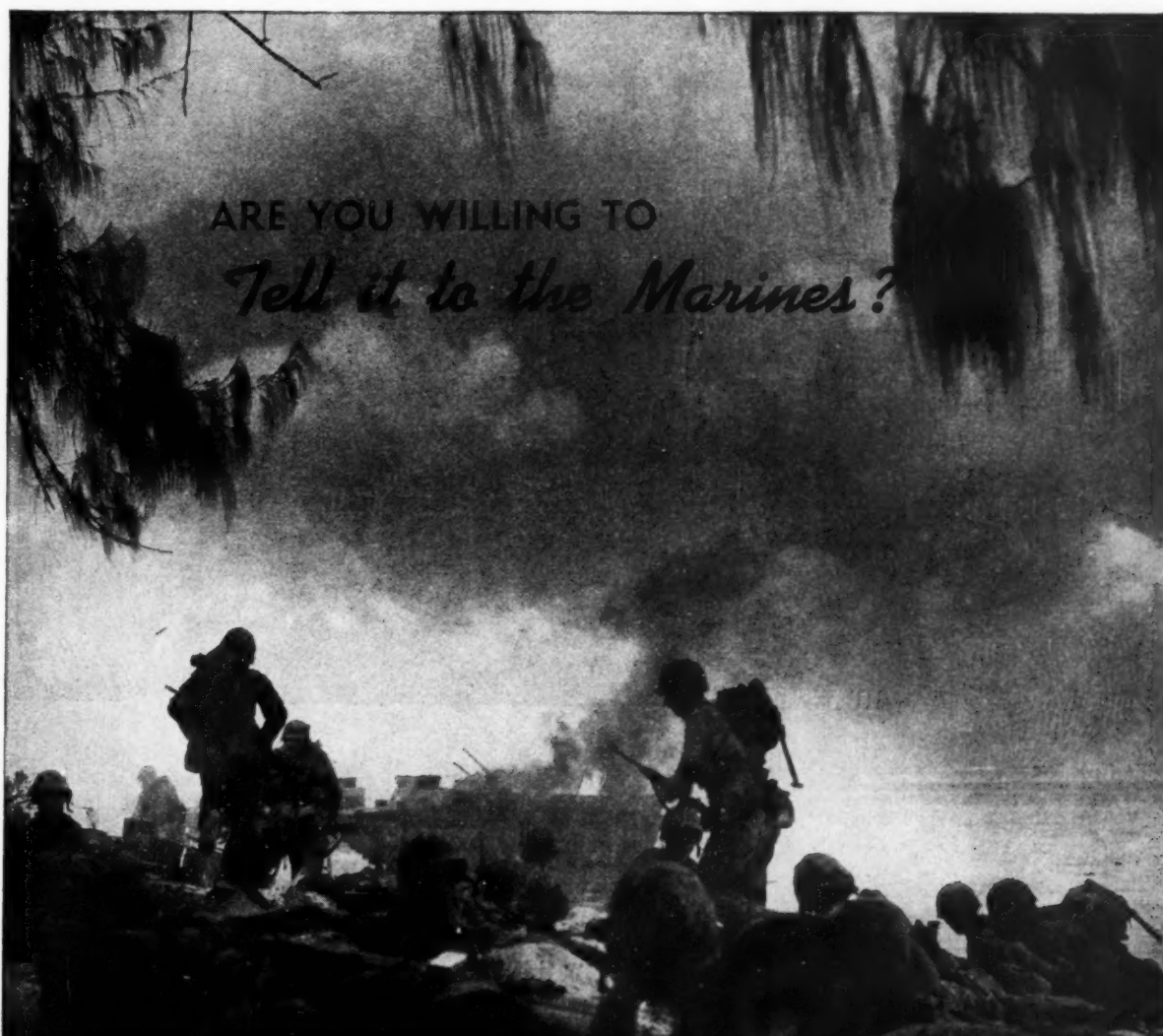
Detroit

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Chicago

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San Francisco



ARE YOU WILLING TO
Tell it to the Marines?

Take a good look at this photograph of our boys under fire on Saipan. Fighting their way to Tokio—*island by island, foot by foot*. All risk their lives and their future — Why? So that you can sit back and take it easy?

NOT BY A LONG SHOT! They expect you to back them to the limit — To buy more bonds and to see that war equipment and supplies reach them in time.

CAN YOU TELL THE MARINES THAT YOU'LL NEVER LET THEM DOWN?

FIRE-MARINE-CASUALTY-SURETY
Loyalty Group
INSURANCE

HOME OFFICE 16 PARK PLACE • NEWARK 1, NEW JERSEY

Western Department
120 So. LaSalle St.
Chicago 3, Illinois

Foreign Department
111 John St.
New York 7, New York

Canadian Departments
445 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.

Southwestern Dept.
912 Commerce St.
Dallas 1, Texas

Pacific Department
220 Bush St.
San Francisco 6, Calif.

Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	Milwaukee Mechanics' Insurance Company <small>Organized 1852</small>
The Girard Fire & Marine Insurance Company <small>Organized 1853</small>	Royal Plate Glass & General Ins. Co. of Canada <small>Organized 1906</small>
National-Ben Franklin Fire Insurance Company <small>Organized 1886</small>	The Metropolitan Casualty Insurance Co. of N.Y. <small>Organized 1874</small>
The Concordia Fire Insurance Co. of Milwaukee <small>Organized 1870</small>	Commercial Casualty Insurance Company <small>Organized 1909</small>
Pittsburgh Underwriters - Keystone Underwriters	

BUY MORE BONDS - - AND KEEP THEM

Official U. S. Marine Corps Photo



YOU couldn't skip 35% of the products of the production line in making rubber rafts...or anything else.

Yet some clients buy only partial fire insurance coverage. Here is a case where the adjuster's report said, "...they have sustained a loss greatly in excess of the insurance carried".

Sell adequate coverage... you'll serve your clients best... and yourself.



NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS AND TRADERS INSURANCE COMPANY
FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY
UNITED NATIONAL INDEMNITY COMPANY

HOME OR ADMINISTRATIVE OFFICES
HARTFORD, CONN.

WESTERN DEPARTMENT
175 WEST JACKSON BLVD.
CHICAGO 4, ILL.

PACIFIC DEPARTMENT
234 BUSH STREET
SAN FRANCISCO 20, CAL.



Claim Number 73,797 tells of inadequate coverage in a factory.

Cash Value of Property	\$66,756
Insurance in Force	40,000
Loss or Damage	61,756
Amount paid under Insurance	40,000
Net loss to insured	21,756

The insured had to bear 35% of this loss.

For only \$465.82 more, this factory could have been fully protected.

The *National Fire Group*

"men of hearts"



Why not insure in a company like this?

10 ARDS ROAD

Gentlemen:

"Your check for the final payment of my compensation came to me this A. M. and needless to say, the word final means so very much to me, an elderly widow without means, and please allow me to express my heartfelt appreciation to you and The Fidelity and Casualty Company of New York which I know are all you claim to be, an insurance company with men of hearts.

"Again thanking you, and wishing you every success in your field of duty . . ."

Sincerely,

-from a letter in our claim files

There's plenty of the human appeal in this unsolicited letter which provides copy for our national and your local advertising

APPEARING IN
THE SATURDAY EVENING POST
TIME - NEWSWEEK
AND PATHFINDER
SEPTEMBER AND OCTOBER ISSUES

For the name and address of nearest F. & C. agent or broker, write to us at 80 Maiden Lane, New York 8, N.Y.

THE FIDELITY and CASUALTY COMPANY
OF NEW YORK
A Member Company of

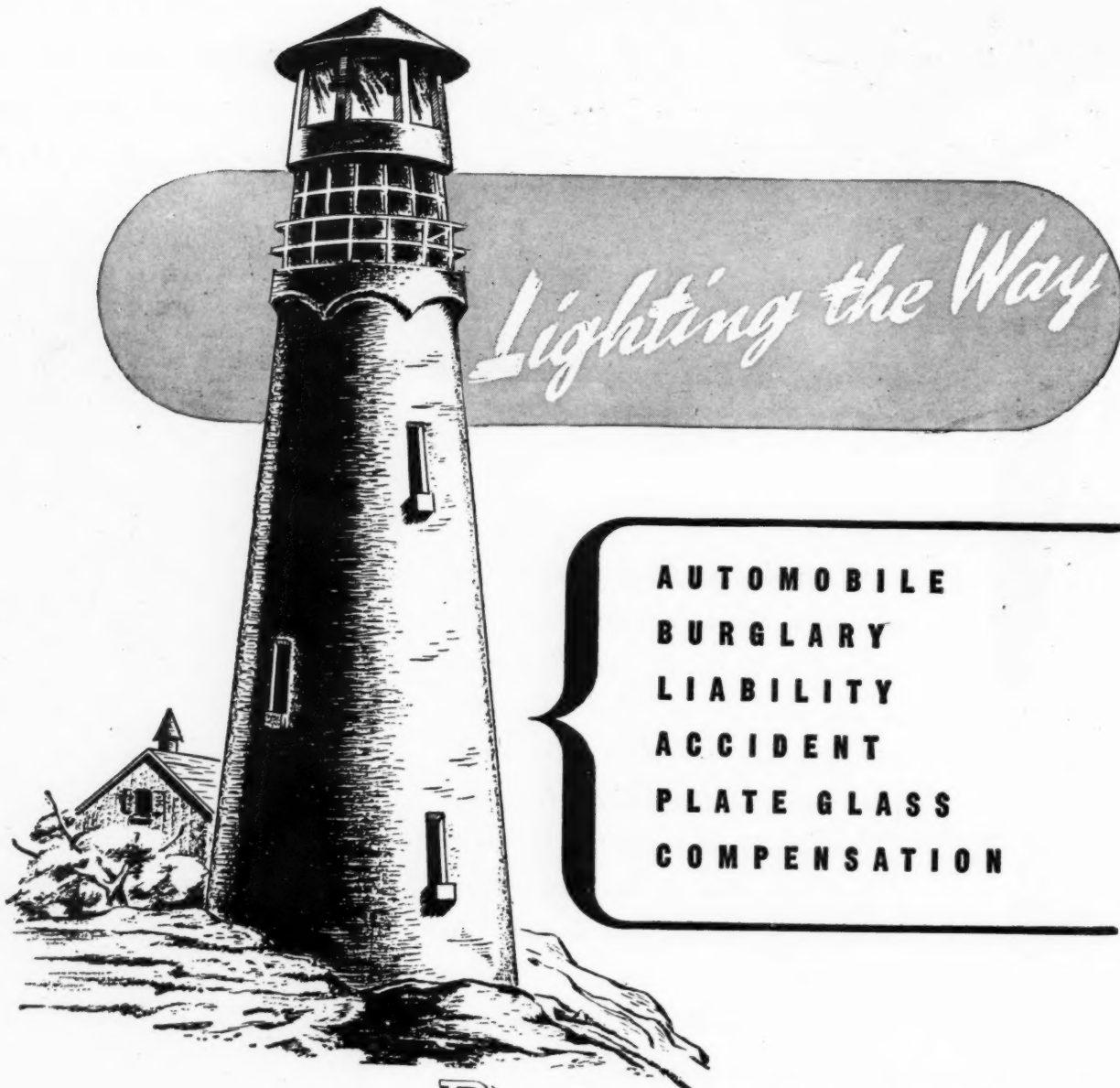
THE AMERICA FORE INSURANCE AND INDEMNITY GROUP
which includes the following companies

BERNARD M. CULVER
President

FRANK A. CHRISTENSEN
Vice President

• FIDELITY-PHENIX FIRE INSURANCE CO. • NIAGARA FIRE INSURANCE CO.
• FIDELITY-PHENIX FIRE INSURANCE CO. • FIRST AMERICAN FIRE INSURANCE CO.

PROTECTIVE INDEMNITY COMPANY
 A NAME IDENTIFIED WITH EFFICIENT SERVICE AND PROMPT CLAIM PAYMENTS



**PROTECTIVE
 INDEMNITY COMPANY**

80 MAIDEN LANE, NEW YORK • EDWIN B. ACKERMAN, PRESIDENT

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N. J. Agents Pack Much Into Brief Annual Meeting

**H. L. Brooks, Newark,
Is President; Governor,
Warfield, Watson Speak**

By ROBERT B. MITCHELL

TRENTON—Between President E. F. Walton's opening gavel-whack at 10 a.m. and an unprecedentedly early adjournment at 3:10 p.m., the New Jersey Association of Insurance Agents ran off a full-packed program that was both constructive and instructive.

Besides hearing President Walton's report and others, the members unanimously elected the slate headed by Herbert L. Brooks of Newark, heard



H. L. Brooks



E. F. Walton

New Jersey's governor, W. E. Edge speak out strongly for state supervision and, incidentally, utter a friendly warning on the handling of claims for hurricane damage along the Jersey seashore; got from Leon A. Watson, expert of the New Jersey Schedule Rating Office, the latest information on the impending manual revisions and the reasons why New Jersey isn't going to have the new nationwide dwelling form for a while at least; and heard from Guy T. Warfield, Jr., of Baltimore, member of the National association's executive committee, an encouraging report on progress in getting the companies to consult with the agents before making changes rather than afterward.

Has Casualty Background

Mr. Brooks, the new president, was advanced from chairman of the executive committee in the customary succession. He is vice-president of Joseph M. Byrne Company, prominent Newark general agency, where he has charge of casualty underwriting and production. Mr. Brooks began his business career in 1917 with the New Jersey compensation rating and inspection bureau three months after it was established. In 1920 he went to Globe Indemnity's home office as assistant supervisor of the engineering department and later became supervisor and gained experience in underwriting. In 1928 he was appointed manager of the casualty department of the Byrne organization, later becoming assistant secretary and subsequently vice-president. He is a former president of the Essex County Insurance Agents Association and a former national councillor of the National association, a post that corresponds to the present one of state national director.

C. H. Frankenbach, Westfield, was elected executive committee chairman

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Asks Liberality on Hurricane Claims

**Gov. Edge Warns of
Reaction if High Water
Claims Are Declined**

TRENTON—Uttering a friendly note of warning on the handling of hurricane claims along the New Jersey shore, Governor Edge, the featured speaker at the luncheon of the New Jersey Association of Insurance Agents urged liberal treatment of such claims where damage was due to waves and high tides as well as wind and wind-driven rain.

In view of the confusion among insurance men as to what Governor Edge was asking for in the way of fair treatment for ocean-front insured, THE NATIONAL UNDERWRITER wired the governor, asking "whether you meant all storm damage to shore properties carrying 'hurricane' insurance should be paid for by underwriters, even though clearly due only to waves and high tide, or whether you merely meant that underwriters should give policyholders the benefit of the doubt and consider as wind damage (and hence covered) everything not clearly due solely to waves and tide."

The following reply was received from E. M. Gildroy, secretary to the governor:

"The governor's position was that when insurance is written on hurricane damage at an inland point it is obvious the damage could only come from wind and rain. However, when an insurance company accepts the same risk where the property fronts directly on the ocean the governor believes that in accepting such risks the insurance company must take into consideration the certainty that such high winds inevitably will produce heavy tidal action as well.

"The governor's suggestion was made in a spirit of helpfulness to insurance companies in the belief that prompt payment of just claims would provide a greater incentive on the part of property owners to protect their properties in the future.

"Conversely, the governor felt that if any claims were repudiated because it was not clear whether the damage was caused by wind, rain, or tidal action, that it would have an adverse effect of keeping property owners from taking out such insurance."

Unfortunately, quite a few of those who heard his talk were unable to tell whether his plea for fair treatment of insured merely meant a liberal attitude, giving the insured the benefit of the doubt where it could not clearly be determined what damage was due to high water and what was due to wind alone; or whether he was asking the companies to pay for all hurricane damage covered by windstorm insurance or extended coverage even though caused solely by waves and high water. Some of the company men present were somewhat concerned over the possible public reaction if the newspapers should put the latter interpretation on the governor's remarks.

Calls Policies Ambiguous

Mentioning the \$33 million to \$35 million damage done by the hurricane to public property in New Jersey and the very much greater damage to private property, the amount of which is not yet estimated, he said that "we have been informed that hurricane insurance policies are so ambiguous and conflicting in phraseology that it is indicated that most of these policies will not be paid."

"I am afraid that if that is the final

(CONTINUED ON PAGE 13)

Fur Loss Will Run \$500,000

**Cut Early Estimate on
Springfield, Mass., Fire;
Rates Up on Line**

Later information on the damage done last week by fire and water to fur coats in the Atlantic State Cold Storage Warehouse at Springfield, Mass., indicates that the total insurance loss will probably not exceed \$500,000 for all insurers. At first it looked as if the loss would be around \$1,000,000.

Most of the loss will fall on the insurance carried by the furriers as bailees, with the excess over declared valuations being taken care of in many cases by fur floater policies and the 10% off-premises feature of household fire policies. It appears that whatever conflict of coverage there is will be between the two latter types of coverage, for the furrier's policy, after stating that the insurance is excess over other insurance, adds that "this clause shall not apply to insurance effected by a customer or a member of the family of a customer of the assured and the existence of such insurance or payment of loss thereunder shall not constitute a defense to any claim otherwise payable under this policy nor shall such insurance be called on to contribute to any loss payable hereunder."

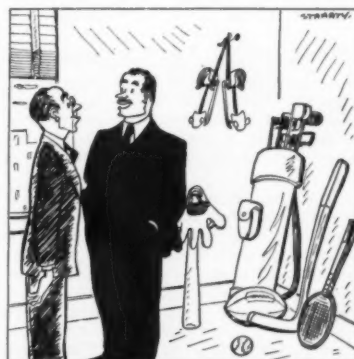
Of the 25,000 coats in storage all were subjected to smoke, but only about 7,500 were wetted in fighting the fire and of these only about 3,000 to 5,000 were damaged in any degree by fire. The fire department did a fine job in confining the water to the coats actually on fire, as far as was possible. Underwriters Salvage of New York is handling the reconditioning of the coats.

The origin of the fire is still unknown. Rates Have Been Increasing

The increased losses on furs have resulted in rate increases on practically every proposal submitted to the furriers' customers' committee of the I.M.U.A. These risks are all individually rated by the committee, even on renewal, and the individual rate has been increased one or two cents on almost every risk during the past year, following the Yale Cold Storage fire at New Haven. The rate per \$100 per month varies considerably but the average probably is from 3 to 6 cents.

The reinsurance market on the business tightened up considerably after the New Haven loss. London Lloyds, which was a member of the reinsurance pool in the I.M.U.A. for furriers' customers' risks greatly reduced its participation, so that other members have had to take on an increasing share of the reinsurance load.

In Chicago in the last five years
(CONTINUED ON PAGE 10)



(CONTINUED ON PAGE 16)

Industry Rift on U. S. Legislation Aired at Chicago

**Cleavage Between Fire-
Casualty and Life Groups
Remains Sharp**

The cleavage that exists between the stock fire-casualty group on the one hand and the life insurance interests on the other on the question of federal legislation necessitated by the Supreme Court decision in the S.E.U.A. case was openly outlined and the differences were debated Sunday afternoon at the Edgewater Beach Hotel, Chicago, during the four-day session of the insurance commissioners committee that is responsible for designing specific legislation to conform to the statement of principles adopted by the executive committee at St. Louis late in August. This was the first anniversary of insurance commissioner discussion of the Bailey-Walter bill and related matters, as it was just a year ago at the Edgewater Beach that the first such meeting was held.

Although the primary task of the commissioners committee headed by Harrington of Massachusetts is to do a legislative drafting job, during the first three days of their Chicago meeting they heard mainly arguments from industry representatives in favor of revising the underlying policy and debate in that area. Mr. Harrington announced, however, that the committee was not empowered to change the blue print and Sunday evening the commissioners committee assisted by about 15 industry men set about translating the statement of principles into precise legislative language. That work continued through Monday.

Another Meeting Projected

It was decided prior to adjournment Monday that there shall be another meeting of the Harrington committee and jointly with the executive committee at "an early date to be later announced." It is believed likely that this meeting will take place shortly after the November elections. Columbus was suggested by several as a meeting place. The fact that the executive committee will be on hand means that questions of underlying policy may be considered at that time as well as specific legislative language.

It is understood that by Monday evening the drafting group had tentatively settled on the language to be recommended to implement the No. 1 plank in the St. Louis statement of policy of the N.A.I.C. executive committee—that is the proposed leave it to the states declaration of Congress.

"The Congress hereby declares," it reads, "that the continued regulation by the several states of the business of insurance is in the public interest. No act of Congress shall be construed to invalidate, impair or supersede any law enacted by any state for the purpose of regulating such business or imposing a fee or tax upon such business unless such act specifically so provides."

Also the drafting group is reported to have agreed on the language to exempt insurance from the federal trade commission and Robinson-Patman acts. It is merely that nothing contained in

(CONTINUED ON PAGE 16)

Mutual Agents Announce Program

Schedule of Events for the National Association Program

The program is announced for the National Association of Mutual Insurance Agents convention to be held at the Hotel New Yorker, New York City, Oct. 16. George E. Phelan of New York City is chairman of the convention committee.

At the first session, Oct. 16, J. M. Eaton, assistant general manager American Mutual Alliance of Chicago, will speak on "The Future of Mutual Insurance." That afternoon the program will center around the present day problems of mutual agents, the discussion leader being Emmert Swigart of Huntington, Pa., chairman of the post-war planning committee of the organization.

The morning of Oct. 17, there will be a discussion on the insurance survey method of selling, the chairman being J. E. Magnus, president James S. Kemmer Co. of Chicago. John R. Chappell, Jr., of Richmond, Va., will tell of his experience with surveys. Other speakers will be Mrs. Ruth G. Stout of the Mutual Insurance Agency of Washington, D. C.; W. E. Love, Carl Lawton, Howard Raub and Frank Budd, field men. Paul Brown, manager of the bond department of Lumbermen's Mutual Casualty, will talk on selling fidelity and surety bonds. M. L. Landis, counsel of Central Manufacturers Mutual, will talk on "Lessons from Current Property Insurance Legal Decisions." Roger Kenney, insurance editor of the "United States Investor," will give some observations on "Do you know that there are crucial days ahead for mutual insurance?" W. F. Lund, manager of the insurance and office planning section of the U. S. Rubber Company and vice-president of the American Management Association, will speak on "Do you know what the buyer expects of the mutual agent?" There will be no regular meeting for the second afternoon. Separate meetings are arranged for the agents of New York and Pennsylvania.

A. B. Kelly Will Speak

The morning of Oct. 18, A. B. Kelly, now connected with the Bureau Contract Termination in the Navy and former secretary and manager of American Mutual Reinsurance of Chicago, will talk on "Do You Know How Mutual Companies Handle Reinsurance?" There will be short messages from Earl R. Horton, secretary Pawtucket Mutual Fire and president New England Mutual Fire Insurance Association; C. H. Keating, president Lumbermen's Mutual of Mansfield, O.; John A. Arnold, vice-president National Retailers Mutual; I. T. Haldeman, president Harleysville Mutual Casualty; Henry S. Rich, Jr., secretary Donegal & Conoy Mutual Fire, and A. Von Thaden, president Excess Underwriters.

R. C. Borden, one of the foremost authorities on modern salesmanship, will speak on "Do You Know How to Close a Sale?" and "How to Make a Sales Presentation Stay Presented?" In the afternoon there will be a business session. The banquet will be held in the evening.

Floyd H. Craft of Greensboro, N. C., is president of the association and will preside. Philip L. Baldwin of Washington, D. C., is the executive secretary.

Birmingham Agency Change

Alan T. Drennen, life insurance agent, has been named president of the R. A. Brown & Co. agency, Birmingham, Ala., to succeed R. W. Mizelle, who died recently. Mr. Mizelle was former president of the Alabama Association of Insurance Agents.

Winchester Heads Eastern Branch of F.C.A.B.

NEW YORK—Philip M. Winchester has been appointed general manager of the Fire Companies Adjustment Bureau's eastern department, succeeding E. E. Haines, who has retired after having served the bureau and its predecessor, the General Adjustment Bureau, for more than 34 years. Mr. Winchester, who has been with the bureau for a number of years, has been assistant



PHILIP M. WINCHESTER

general manager of the eastern department since February, 1943. He is widely known as an authority on loss adjustments. His judgment is frequently sought in connection with complicated settlements involving specialized lines, particularly Use & Occupancy and in the interpretation of coverages. He has the rare ability to take a highly complex situation, resolve it to its essential issues and come up with the right answer.

Started with Boston in 1919

Mr. Winchester began his business career in 1919 in the Boston's marine department. Later he went with the General Adjustment Bureau at Philadelphia and subsequently served successively with Phoenix of London and as superintendent of claims for Union of Canton. In 1926 he returned to the General Adjustment Bureau as staff adjuster. In 1932 he opened a new office of the bureau in Jersey City, where he remained as manager until being transferred to the Newark office of F.C.A.B. as assistant manager in 1934. He was made manager in 1939 and continued in that post until going to New York City as assistant general manager of the eastern department.

Long active in Blue Goose affairs, Mr. Winchester was elected grand supervisor at the recent grand nest meeting. He is a past most loyal gander of the New York City pond.

Ohioans on N.A.I.A. Committees

Six members of the Ohio Association of Insurance Agents, which is now an affiliate of the National Association of Insurance Agents, have been appointed to the present standing committees of the N.A.I.A.

J. F. Van Vechten, Akron, president and state national director of the Ohio association, will serve on the Factory Insurance Association Conference. The other appointments are: Gustav May, Cincinnati, educational committee; West Shell, Cincinnati, fire prevention; Harry T. Minister, Columbus, constitutional revision; John W. Barrett, Cleveland, agency qualification laws; C. L. Krum, Cleveland, financed accounts.

Ask 2 Years Home State Experience for Examiners

With each one of the eight states represented and with Commissioner Harrington of Massachusetts as special guest, the zone 4 insurance commissioners held a successful two-day meeting at Madison, Wis. Chairman Viehmann of Indiana presided. On the first day the commissioners held a meeting and their actuaries and examiners were in session independently. The latter brought specific technical points to the attention of the commissioners and this arrangement proved to be constructive.

There was considerable discussion of the qualification of examiners and a resolution was adopted recommending that the examiners that are assigned to convention examinations possess at least two years experience in their home state. This resolution was referred to the executive committee of the National Association of Insurance Commissioners.

Several recommendations were adopted for submission to the blanks committee.

A resolution was adopted condemning the use by insurance companies through agency connections of the term "government" or "federal," and it was recommended that all states put a stop to this practice if the laws give them power to act and if the laws are not broad enough to get the necessary legislation.

Zone 4 recommended that other zones invite departmental staffs to attend and submit suggestions.

Brown and Warfield N.A.I.A. Timber for Vice-president

On the eve of the annual convention of the National Association of Insurance Agents, interest is being shown in the vice-presidential possibilities. Those most frequently mentioned are Hunter Brown of Pensacola, Fla., and Guy Warfield of Baltimore. Neither of these leaders has made any advances of any kind and nothing resembling a campaign has been undertaken for either office. They are both eminently qualified and they appear to constitute the field of choice.

Okla. Gov. for Premium Tax Cut

Governor Kerr of Oklahoma at a press conference the other day asserted that he is in favor of reducing the insurance premium tax in the state. That is welcome news to the insurance companies that have objected strenuously to the 4% levy that is imposed in Oklahoma. The state has had a difficult fiscal problem and the word has been circulating that if the 4% tax could be collected for a year or two more it would be a big help to the government and that then a reduction could be expected. The tax is a hardship not only to foreign companies and their policyholders but to those domestic companies that operate in other states, as they must pay 4% in the other states under the retaliatory laws.

The tax increase has been a bone of contention ever since it was enacted in 1941 and was taken to the U. S. Supreme Court, which upheld its validity.

McIlvain with Robt. L. Drake

E. L. McIlvain, for the past several years Oklahoma state agent for Gross R. Scruggs & Co., general agency at Dallas, has joined the Robert L. Drake general agency of Oklahoma City.

Missouri Agents Meeting on Friday

Attorney Carl Matz of Kansas City Will Be the Chief Speaker

For the annual meeting of the Missouri Association of Insurance Agents to be held in Jefferson City Friday the officials, in view of traffic restrictions, decided on a streamlined meeting. The executive committee will meet the evening of Oct. 5. The convention proper will be held the next day and there will be reports from the different committees and the report of the administration by President George D. Clayton, Jr., of Hannibal. There will be a talk by Wallace Rodgers, executive assistant of the National Association of Insurance Agents. The chief speaker will be Carl Matz, prominent member of the Kansas City law firm of Langworthy, Matz & Linde. He will talk on "The Implication of the U. S. Supreme Court's Decision as It Applies to Local Boards and State Associations." He is attorney for the Kansas City Board.

Superintendent Scheufler has been invited to attend and give an informal talk.

Circus Fire Safety Recommendations

HARTFORD—The first official report on the circus fire disaster of July 6 was made public here, but it was in the form of a "commentary" and did not disclose how the conflagration started.

Author of the report, which embodied a 17-point program of corrective measures is John Ashmead, Phoenix of Hartford, chairman of the Hartford Chamber of Commerce fire prevention committee.

"The fire hazards surrounding the audience," said Mr. Ashmead, "were no different from those found in the spectators' homes. The probability of fire starting was perhaps greater, but this should have been offset by the supervision, which was present in some degree."

"The spectators' safety was also protected by exits which should have permitted an audience twice the size to vacate the area in less than four minutes. However, the safeguards proved inadequate for the hazards involved."

"Contents of the tent, the tent fabric, seating and structural members were combustible."

"It would appear that having proper exit facilities available, if an audience, particularly a circus audience, could be freed from fear of the surrounding fire hazard, the danger of life loss would be greatly reduced, if not eliminated. One way of removing this fear would be to improve the fireproofing of the structure housing the circus."

Fire Resistant

It pointed out, however, that "there is little hope at this time of adopting, for tent purposes, a fabric that is inherently fire resistant. Glass fabrics and asbestos cloths at present are difficult to make waterproof and strong and flexible enough for circus handling."

The traditional methods of crowd control at a circus, Mr. Ashmead argued, exhibit certain weaknesses, evidently more the result of habit than anything else. For instance, he said, the routing of people along one line of entrance keeps them from becoming acquainted with the exits they may be expected to use.

Other practices he mentioned were discharging the crowd towards and into the arena as part of a path of exit, use of loose chairs, and careless placing of poles, jacks and trucks.

Insurers' Loss in Hurricane May Exceed \$11 Million

F.C.A.B. Has 23,000 Claims; High Water Damage Raises Questions

NEW YORK—Estimates are still highly tentative on the total of insured losses due to the Sept. 14 hurricane which swept the northeastern seaboard but during the last week the conviction has grown that the companies will pay at least \$10 million, which would make the storm as costly to insurers as the 1938 hurricane. In addition there will probably be something more than \$1 million marine insurance loss, mainly on yachts and small craft.

The Fire Companies Adjustment Bureau has received more than 23,000 claims for handling and the figure will undoubtedly reach 25,000. The bureau has 130 adjusters handling storm losses, among them about 60 brought in from all over the country, including such distant points as Texas, Wisconsin, Oklahoma, Minnesota and Missouri.

Some Misunderstandings

Although windstorm and extended coverage insurance clearly and specifically excludes damage by high or rising water, whether driven by wind or not, there have been cases along the seashore where insured have felt that the coverage should take care of damage done by waves and high tides. As far as could be determined, companies have not authorized adjusters to pay for damage done by high water and waves, although they are reported to be taking a very liberal attitude in borderline cases, giving the insured the benefit of the doubt if there is a genuine uncertainty as to whether damage was caused by high wind or by ocean water.

Frequently it is possible to determine beyond a question of doubt the extent to which damage was due to wind or to ocean water. For example, a house was flooded up to the level of the first floor and there was also wind damage to the roof. The company assumed liability for the roof damage but not for water damage below the high water mark left on the walls.

Court Decision Timely

To aid in convincing claimants that refusal to pay water damage is fully justified Fire Companies Adjustment Bureau has sent to its adjusters copies of a decision of the federal court given last week in a case arising out of a 1942 New Jersey seashore loss which upholds without question the fact that the companies are not liable for high or rising water.

The action was brought by the Wootton Hotel Corporation against Northern of London, for indemnification of damage done to its pier at Brigantine Beach, N. J., March 2 and 3, 1942, by waves driven by a 55-mile wind. The court's opinion lists among the findings of fact that "the loss and damage . . . was caused by high water driven by wind" and "there is no evidence that the damage, or any part of it, was caused solely and directly by the wind."

The hotel corporation based its contention on the ground that the wind was the proximate cause of the damage in that the damage was caused by high water driven by wind. The court pointed out, however, that the policy provides that the company shall not be liable for loss or damage caused "directly or in-

(CONTINUED ON PAGE 15)

Bugbee Reviews Lessons in 1943 Fire Experience

There are a number of lessons to be learned from 1943 fire experience, Percy Bugbee, general manager of the National Fire Protection Association, said in a talk before the fire control and prevention session of the National Safety Congress in Chicago. There has been a marked increase in industrial fires costing more than \$250,000, from 48 in 1941 to 80 in 1942 and 105 in 1943. There will be more in 1944, he said.

Several insurance men were elected officers of the National Safety Council. Analysis of factors responsible for 100 large loss fires in 1943 showed that in 67 they were inferior construction and excessive area; in 40, excessive amounts of highly flammable contents; in 79, lack of adequate fire protection, and in 33, delayed alarms, Mr. Bugbee said.

The concentration of values in one area should be limited, obvious fire causes should be eliminated, prompt response of municipal fire fighting forces should be insured, adequate private fire equipment should be installed, and there should be a properly organized and trained private fire brigade, Mr. Bugbee recommended. Most industrial fires are caused by accumulations of rubbish, careless smoking, poorly maintained electrical and heating equipment, careless use of flammable liquids, careless welding operations and unnecessary accumulation of explosive dust, he said.

Magnesium Fire in Texas

Last December fire seriously damaged a Texas plant built for the manufacture of magnesium incendiary bomb casings. While designed for manufacture of an extremely hazardous material, the plant did not give consideration to the fire hazard. Fire started in the foundry section of a building 27,000 square feet in area of part steel and part wooden construction with wooden sub-dividing walls. The magnesium ignited and a large quantity in storage burned furiously. After the building had been completed it was necessary to install ventilating equipment to exhaust fumes, and priority restrictions prevented use of a metal duct. A plywood ventilating duct was installed under the roof with branches extending to within 18 inches above molds heated by gas flames. The duct caught fire, and the building burned.

There is an average of 1,000 fires in homes every day in the United States, Mr. Bugbee said. The precautions necessary are not new. He said public education in fire prevention in the public schools has done much good, but suggested that there has been a failure to interest sufficiently women's organizations of the country in fire safety programs. The majority of deaths from fire are women and children in homes. The lesson of adequate home fire protection and prevention is largely yet to be learned, he declared.

Rubber Manufacturing Fires

The number of fires and explosions in rubber manufacturing plants has increased rapidly in the last three years, H. C. Jones, vice-president and engineer of Arkwright Mutual Fire, Boston, said in discussing "Safety in Processing Synthetics" at the fire control section of the congress. Although production in the rubber industry in 1943 was about 2¼ times the average yearly production between 1935 through 1939, the number of fires was more than three times the average yearly losses for the same period. There was an increase in fires from static sparks, he said, and use of low flashpoint solvents in working reclaimed and synthetic rubber has increased the number of fires.

W. C. Nichol, chief inspector of Hartford Steam Boiler at Chicago, in discussing pressure vessel hazards in food

Prospects for German Insurance After the War

"The Review" of London in its Sept. 1, 1944, issue makes some interesting comments on the present insurance situation in Germany. The "defense economy" of the Nazis provides as backing for their currency neither gold nor, as claimed by the Germans, productive labor, but merely the armed forces of the Reich, "The Review" points out. Once these are beaten, chaos may again set in as it did in 1923.

So far the position of German insurance on the surface has not been too bad. German insurance people have profited from the lessons of 1923.

Experience in 1929-31

"The Review" recalls the shock of discovering in 1929 to 1931 that old established Germany companies were rotten through and through and had to be liquidated, in one instance because apparently the opening gold mark balance sheet of 1924 failed to disclose the true position, but left certain losses uncovered, to meet which the management indulged in get rich quick methods with disastrous results. Legislative measures were taken after 1931, but the effect of these is problematical under the chaotic conditions that may prevail in Germany after the war.

On the whole, German companies have not been working so much abroad as British companies. They have, however, to some extent penetrated European markets since the majority of the European countries were overrun. It is believed that they hold share interests in quite a number of continental insurance companies, directly or through dummies. These share holdings will probably be forfeited when the war is over.

"The Review" states that there probably will be no objection to German participation in European business after the war once the currency is stabilized, "though we should certainly like to see the German hold on continental reinsurance business broken and greater Allied participation in the reinsurance business of the Allied Nations." "The Review" points to the possibility of collapsing currency, the certainty of war claims consciousness and to fresh insurance hazards when peace time activities revive, probably with inferior material, since Germany will be made to disgorge all the high class machinery she has looted from occupied Europe.

Collapsing currency may not be so bad because the reinsurance companies generally have made large and increasing deposits with ceding offices and have been able to balance assets and liabilities in the various currencies, it appears, so that even if a series of currencies goes bankrupt it may not matter so much, especially if during the period of downfall claims are being paid with premiums collected when the value was higher.

Some form of state capitalization may be necessary, and conditions can be foreseen which would accentuate a drift toward public insurance if not complete nationalization in Germany, "The Review" comments.

plants, emphasized the need of a definite program of inspection and maintenance for unfired pressure vessels. He warned against the common practice in the food industry of sterilizing vessels with steam because steam condensation creates a vacuum.

Walter S. Paine, manager of the engineering and inspection department of Aetna Life affiliated companies, was re-elected vice-president for industry of the National Safety Council, and a director. Wallace J. Falvey, vice-president of Massachusetts Bonding, New York, was elected a director. S. Bruce Black, president of Liberty Mutual, was elected a trustee, along with Morgan B. Brainard, president of Aetna Life affi-

Resolve Differences, Set Common Course, Johnson Implores

Commissioners' President Asks Industry to Unite on Federal Program

Newell R. Johnson of Minnesota, president of the National Association of Insurance Commissioners, in addressing the annual meeting of the American Life Convention in Chicago this week exhorted the insurance industry to think in terms of the public interest and resolve the differences that exist as to the course of action that shall be taken in view of the S.E.U.A. decision.

Mr. Johnson declared that the commissioners resolved their differences in the St. Louis declaration of policy. It was difficult for them to do so because of the political differences in their ranks, because some are elected to office, others are appointed, some have few insurance companies within their states and some have many, in some states most of the companies are life or mostly fire and casualty, because some of the state officials are new in office and others are veterans, some are former attorneys and some former insurance men. Finally and in a comparatively short time at that, they did solve all differences. "We are ready to set sail," he declared. "We wish to drift no longer. We have no dissenters or conscientious objectors."

So far as the industry is concerned, it should look to the safety of the ship and submerge special interests. It is time to accept a common course, to agree firmly upon it and then to pursue it earnestly.

Mr. Johnson sketched in some detail the story of the deliberations that have taken place since the day of the S.E.U.A. decision. He recalled the hectic annual meeting of the commissioners association which came just a week after the Supreme Court decision. The atmosphere was tense and disturbed. Dozens of suggestions and requests were advanced. The regular sessions were upset. Many of the committees were unable to meet but by the end of the week the committee as a whole had met and a subcommittee on federal legislation had been authorized to hold hearings.

Mr. Johnson pointed out that the four specific recommendations in the St. Louis declaration represent the results of exhaustive study.

As to a constitutional amendment the executive committee concluded reluctantly that this way would be long and laborious and that if the effort were made it might fail.

Colo. Springs Board Elects

Roy H. Waters, manager Bennett-Shellenberger agency, was elected president of the Colorado Springs Insurance Board at its annual meeting. He succeeds Reeve Burton, who was made vice-president. John W. Brink was re-elected treasurer and Robert L. Krouse, secretary.

liated companies, and John Gunn, president of Employers Mutual Casualty. Julien H. Harvey, managing director of the National Conservation Bureau of the Association of Casualty & Surety Executives, was reelected a member at large of the executive board, along with W. D. Keefer, second vice-president of Lumbermen's Mutual Casualty, and C. E. Pettibone, vice-president and manager of the engineering department of American Mutual Liability.

Test of Commerce Clause in Cal. Suit

Ariz. Fraternal Seeks Injunction Against State Insurance Department

LOS ANGELES—Authority of Commissioner Garrison to enforce the insurance code of the state was challenged under the commerce clause and the 14th amendment to the constitution in a complaint filed in the federal district court here by the First National Benefit Society of Phoenix, Ariz. The complaint asks that the commissioner be restrained from interfering with the business of the fraternal society and asks for \$1,200,000 damages from the commissioner and other defendants.

Department Personnel Defendants

The petition named as defendants Garrison, Mae Barr Long, H. F. Risbrough, and Alvin J. O'Lein, assistant insurance commissioners, and five "John Doe" assistant commissioners. O'Lein subsequently was dismissed as a defendant on motion of the society.

The federal court set Nov. 6 for a hearing on the petition.

The society does business by mail from its home office in Phoenix. Its petition points out that in response to inquiries from California its representatives interviewed the inquirers and that their applications are sent to the home office for acceptance.

The complaint follows prosecution of F. O. Robertson, representative of the society, in the justice court at Ventura, Cal., for violating section 703 of the California insurance code on charges of selling insurance without being licensed as an agent and selling insurance in a non-admitted insurer. O'Lein filed the complaint. Robertson was convicted by the justice court and was ordered to appear Sept. 30 for sentence. The complaint of the society was then filed in the federal court.

The petition declares that the defendants have urged members of the society to drop their certificates because they were illegal and were of no worth. It alleges that because of the action of defendants it has lost 10,000 California members and \$240,000 in annual dues. It terms the action of the insurance department in violation of the commerce clause and the 14th amendment of the constitution.

Fur Loss in Massachusetts Will Run About \$500,000

(CONTINUED FROM PAGE 7)

there has been a considerable trend away from use of storage warehouses by furriers, transferring to vaults installed by the individual furrier on his own premises. It is estimated that half the Chicago furriers now have their own vaults. The furriers are able to increase their profits by saving the storage warehouse charge. The individual vaults generally are air conditioned, well constructed, with A.D.T. protection. Experience on this type of vault has been very good, according to underwriters, and the chances of a huge loss are greatly diminished by the much smaller exposure. Also, there is less opportunity for a fire getting started undetected on the premises of a store where there is considerable activity at all times.

Both the New Haven and the Springfield, Mass., fires occurred just at the time of the year when the first movement of fur coats to the customers begin. With the first cold day, most of the furriers' customers want their coats right away, and where several furriers store in one warehouse, the warehouse has difficulty getting the coats out fast enough to meet the demand.

Miss. Agents Protest Way Changes Were Handled

The executive committee of the Mississippi Association of Insurance Agents at a meeting in Jackson protested the handling of the recent form and rate changes on dwellings and household goods and farm property. No member of the association was consulted prior to the changes, it was pointed out, and there was considerable confusion generally in agency offices since many had written October renewals prior to the time the first notice of the changes was received. In the past 30 days notice has been given.

A number of agents have expressed dissatisfaction because of the ambiguity in some clauses of the dwelling form, though the broadening of the protection was approved. The new requirement of securing applications in connection with farm property was disapproved by the committee.

The association is working to secure adoption of the so-called liberalization clause, which would extend the broadening features of new contracts to existing policies. The executive committee has received a number of requests from agents to see if it cannot arrange to have a specific date each year set for rate changes in order to avoid confusion and duplication of effort. W. W. Sampson, manager of the Mississippi State Rating Bureau, appeared on the program, and Commissioner White was guest at the luncheon.

North British Sets Up Unit for Inland Marine Claims

NEW YORK—The North British & Mercantile group has established an inland marine claims division in its loss department and placed Thomas J. Hunter in charge as superintendent. Mr. Hunter has been for several years inland marine and automobile staff adjuster for the New York metropolitan area. He has been with the North British group for 22 years, having started as a junior clerk in the loss department, and has been active in inland marine loss work for the last 15 years. He is treasurer of the Automobile Claims Association.

Freeze U. S. Ships on Routes

WASHINGTON — The freezing of U. S. merchant ships in various services has been launched as a program by War Shipping Administration, it is stated by Capt. Granville Conway, deputy WSA administrator. The program is being applied particularly in operations along the east and west coasts of South America. Purpose is to take a step toward reconversion of the merchant marine to commercial operations in the post-war period.

About the same time, the State Department announced that U. S. merchant ships may not call at Argentine ports after Oct. 1. The department instructed the Foreign Economic Administration to hold to a minimum licenses to export to Argentina.

Ill. Blue Goose Golf Winners

At the playoff for the golf championship of the Illinois Blue Goose at Champaign, the following were winners: Homer Sturgeon of Pearl and J. Lewis Cassell of London Assurance, who tied for first place, and Howard S. Hendricks, Home, and M. B. Olsen, Northwestern National, Springfield, who tied for second place. Duplicate prizes are being awarded.

Yazoo Delta Agents to Meet

The Yazoo Delta Local Agents' Association will renew its annual business and social meetings on Oct. 17, at Clarksdale, Miss. The business session will be held in the morning, there will be a tournament in the afternoon, and then a social evening at Moon Lake. Members of the Mississippi Association have been invited.

Supreme Court Meets Again, Await Word on Rehearing

WASHINGTON — The Supreme Court met Monday after its summer recess and thereupon recessed again until Oct. 9. One of the questions that it must consider is the petition of S.E.U.A. for rehearing of its case under the anti-trust law.

The petition for rehearing is supported by briefs of attorneys general of 42 states, the latest being filed individually by the attorney general of Massachusetts.

The states' briefs are before the court in conference. Its action on the petition for rehearing may be announced next week.

The court will consider petition and briefs in the light of the fact that since its June decision the Senate judiciary committee has recommended passage of the Walter state's rights bill, thus giving further indication of the Congressional position that insurance is not subject to the anti-trust laws, following House passage of the bill by overwhelming majority.

Students of the "Congressional Record" have discovered that the Walter bill actually was passed by the Senate Sept. 21, the day the recess began. However, later that day the Senate's action was reconsidered, and the bill was "passed over" and went back to the Senate calendar.

It happened on a call of the calendar under a rule whereby unless objection is raised to a bill, it automatically is passed. The Senate reading clerk read the Walter bill by number and title, rapidly, and in the confusion incidental to the approaching recess Senate "official objectors" failed to note it immediately.

The "Record" shows page 8165, that HR 3270 was "ordered to a third reading, read the third time, and passed."

Later, Senator Barkley, majority leader, arose and stated that when the bill was reached on the calendar he was otherwise engaged and that his attention was distracted by another matter. He expressed the opinion that the bill "ought not to be passed, under the conditions, during the call of the calendar. I wish to ask that it go over," he continued, "and I now ask that the vote by which the bill was passed be reconsidered."

"I, too, desire to have the vote by which the bill was passed reconsidered," said Senator Hatch.

"Is there objection to the request of the senator from Kentucky that the vote by which House bill 3270 was passed be reconsidered?" asked the presiding officer. "Without objection, the vote by which the bill was passed is reconsidered, and, without objection, the bill will be passed over."

There were no objections, so the Walter bill went back to the Senator calendar where it will have to take its chances in the post-election period.

Minneapolis Agents Elect

MINNEAPOLIS — The Minneapolis Underwriters Association's directors elected John T. Baxter, Jr., of Wirt Wilson & Co., president; Clarence A. Olson, Marsh & McLennan, vice-president, and Glen E. Gulstrand, Charles W. Sexton & Co., secretary-treasurer. Mr. Baxter, George A. Thompson, the retiring president, and George W. Blomgren, manager of the association, were named delegates to the National association convention in Milwaukee.

N. Y. Health Plan Filing

NEW YORK—Mayor LaGuardia in his weekly broadcast said incorporation papers for his Health Insurance Plan of Greater New York would be filed this week with the secretary of state, thereby completing the legal steps necessary for formal organization of the plan.

Heads of Bankers Group's Insurance Committee

Frederick B. Post, president of the State Savings Bank of Ionia, Mich., has been appointed chairman of the insurance and protective committee of the American Bankers Association, succeeding William B. Gladney, president of the Fidelity National Bank of Baton Rouge, La., who has been chairman for the last seven years.

Mansfield on Eastern Trip

T. R. Mansfield, new president Gulf, stopped in Indianapolis this week on his return from an eastern business trip. Harold F. Sweeney, resident secretary and manager of Gulf in Indianapolis, flew Mr. Mansfield to St. Louis in his private plane. Mr. Sweeney is a pioneer among insurance men in the use of a plane to cover the territory under his supervision.

Southern California Nominations

LOS ANGELES — The nominating committee of the Fire Underwriters Association of Southern California has presented this slate for the election Nov. 6. President, Paul Ragan, special agent Hartford Fire; vice-president, James H. Hurry, manager Glens Falls; secretary, Alton P. Stich, superintendent of agencies, Springfield F. & M.; executive committee, Joseph E. Joseph, California-Commercial Union group; R. J. Newell, Great American; Fred Krueger, Crum & Forster; W. E. Blair, Northern Assurance; R. F. Owens, Royal; Sim E. Wherry, Home; E. W. Dunn, Deans & Homer; G. H. Heissner, Jr., Aetna Fire.

Dewey Committee in Los Angeles

A non-partisan Dewey for president committee was formed at a meeting of Los Angeles insurance men. William H. Menn, former N.A.I.A. president, presided and addresses were made by prominent insurance men, including Commissioner Garrison.

Gordon Campbell of Bonner-Campbell, is chairman of the committee, with W. P. Herbert, manager of the Insurance Association of Los Angeles, as secretary. The committee will function in the campaign throughout the Southern California territory.

Ceremonies at Keokuk

Nine silver medals and one gold medal were awarded to employees of the Iowa State Underwriters Agency of Keokuk for service of 25 years or more with the company at a dinner in Keokuk Monday night. Louis J. Fischer, general manager of Home at Chicago, presided at the dinner and made the presentations. He was accompanied by E. J. Bush, manager of the Home's loss department in Chicago who began with Iowa State and whose home city is Keokuk.

Iowa State Fire was taken over by the Home about 13 years ago, at which time it became Iowa State Underwriters Agency. J. M. Skinner, chief examiner, received a gold medal for 59 years of continuous service. Those who received the silver medals were: W. N. Sage, general manager, 43 years; D. H. Sage, special agent, 25 years; G. R. Whaley, special agent, 44 years; J. I. Collison, bookkeeper, 43 years; J. L. Concannon, cashier, 43 years; Miss A. Sheppard, typist, 32 years. In addition, certificates of loyalty were awarded and pins distributed representing membership in the Home's Quarter Century Club.

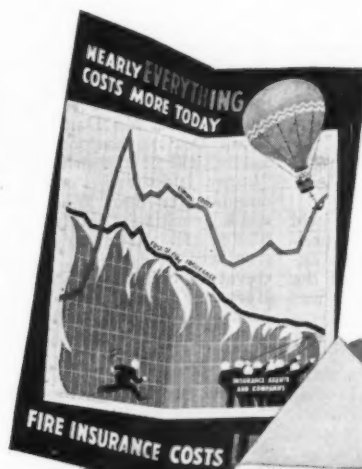
E. H. Davis, Iowa state agent of Home, and C. S. Cathcart, special agent, attended.

Frank J. Goodwin, 63, Dallas, state agent in Arkansas, north Texas and part of Louisiana for Phoenix of London, died Oct. 2 at Baylor Hospital in Dallas following a brief illness. Funeral services will be held Oct. 5 at Decatur, Ill., where his mother resides.

Tell 'em again— "FIRE INSURANCE COSTS LESS!"

Agents' Associations in all parts of the country are encouraging widespread distribution of North America's popular Fire Poster and Envelope Enclosures. They consider them to be striking examples of effective public relations material, emphasizing decline of fire insurance costs over a 30-year period.

We invite all Agents—regardless of company affiliations—also Brokers, to write for supplies of these Posters, for use in windows and for office display; and Envelope Enclosures for inserting in outgoing mail. Simply send us the Coupon below—that's all!



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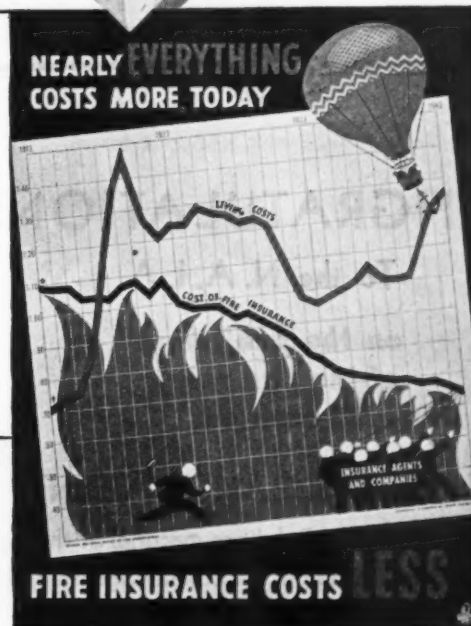
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NEWS OF FIELD MEN

America Fore Names Krug South Dakota State Agent

John W. Krug has been appointed state agent of America Fore for South Dakota in succession to W. F. Halverson, who died recently. Mr. Krug has been Mr. Halverson's assistant and is well acquainted in the state. He has been in the service of America Fore for some years.

For the time being, he is also supervising agencies in North Dakota.

Iowa Duck Dinner Nov. 14

The annual duck dinner will be held by the Eastern Iowa Blue Goose puddle at Waterloo Nov. 14, it was announced at the weekly luncheon of the Iowa Blue Goose. The duck dinner was originated by the late H. Verne Myers and has been continued in recent years by the eastern Iowa puddle.

Frederick Miller, Iowa supreme court justice, spoke. Commissioner Fischer will speak at the Oct. 9 meeting.

McAnally Named in Seattle

America Fore has appointed J. D. McAnally as special agent in Seattle, succeeding C. J. Calloni, who resigned to enter the local agency business in Stockton, Cal. Mr. McAnally recently received a medical discharge from the army air corps. He was with America Fore in Los Angeles before entering service, and since his discharge has again been with the office there.

Cal. Pond Initiates Oct. 6

The California Blue Goose will hold its next meet in Los Angeles Oct. 6. There will be an entertainment program and a large class will be initiated.

Kansas SWIS Inspectors School, Conference Planned

The Kansas SWIS will hold an inspectors school and conference in Wichita Oct. 17-18, immediately preceding the annual meeting of the Kansas Association of Insurance Agents. Emmett T. Cox, Western Actuarial Bureau; Paul Mann, mill and elevator department of Hartford Fire, both of Chicago, and R. D. MacDaniel, vice-president Grain Dealers National Mutual, Indianapolis, will be the principal speakers on "Large Industrial Plants," with special emphasis on flour mills, grain elevators, meat packing plants, food storage plants, etc. Assisting in a panel discussion will be Luke H. Ballard, mill and elevator inspector Kansas Inspection Bureau, Topeka; M. V. Reagan, Mill Mutuals, Wichita, and F. S. Rexford, special agent Grain Dealers National Mutual, Wichita.

Review Six Months Progress

"Progress During the First Six Months" will be covered in a panel directed by Ewing B. Fergus, Kansas Inspection Bureau, Kansas director, assisted by V. E. Herbert, Loyalty group, assistant director; Fire Marshal Fred A. Werbe, assistant director; Ray H. Priest, Royal-Liverpool, chairman evaluation committee, and N. K. Nelson, Great American, secretary. Commissioner Hobbs of Kansas is expected to attend, as is Maj. C. A. Picken, regional industrial protection officer, Chicago.

At a two-day monthly meeting of the evaluation committee in Wichita, Mr. Herbert reported 310 inspections made to date. At the session 47 inspection reports were screened, 40 new inspections assigned, 13 reinspections assigned, 11 reassignments made and 28 replies to

recommendation letters reviewed which required special action.

Sehnert with Corroon & Reynolds

Marvin H. Sehnert has been appointed special agent of Corroon & Reynolds in Missouri and Arkansas. Mr. Sehnert traveled for New Hampshire Fire in Iowa before joining Corroon & Reynolds.

Ward Joins Sun in Mich.

Orlie C. Ward has been named special agent in Michigan by the Sun group to assist R. W. Baruth, state agent. Mr. Ward was with the Michigan Inspection Bureau until he became a senior inspector with the sixth Service Command, A.S.F. He will make his headquarters in the Buhl building in Detroit.

Ohio Prevention Work Told

The meeting Monday in Columbus of the Ohio Stock Fire Insurance Speakers Association was under the direction of the Fire Prevention Association of Ohio. Speakers included George S. Valentine, Jr., Ohio Farmers, president Fire Prevention Association, who explained its activities; Fred I. Sipp, Hartford Fire, assistant state director of SWIS, and E. P. Welch, chief of the Columbus fire department.

Reports on Denver Parley

Robert E. Hall, assistant deputy insurance commissioner of Washington, reported on the grand nest meeting in Denver at a luncheon of the Washington Blue Goose in Seattle. He is past most loyal gander. It was decided to resume weekly luncheons on Saturdays.

U. S. Senator Moore of Tulsa addressed the Oklahoma Blue Goose at Oklahoma City.

Gerald O'Brien, formerly with the Loyalty group in Los Angeles, has been awarded the Purple Heart, after having participated in 12 major engagements in the Southwest Pacific.

The Michigan Blue Goose will hold an afternoon and evening outing at Jackson Country Club near Jackson Oct. 11, preceding the inspection of that city by the Michigan Fire Prevention Association Oct. 12-13.

The Texas Blue Goose had a buffet dinner for members and their families at the Glen Lakes Country Club, Dallas, Oct. 3.

The Indiana Blue Goose held an outing at South Bend, six goslings being initiated. Jesse E. Miller, Ohio Farmers, most loyal gander, presided at the dinner.

The Illinois Fire Prevention Association has assigned a number of its members to address various gatherings during fire prevention week. Donald Vance, Royal-Liverpool, will address the high schools at Bloomington, Ill.; L. F. Braman, Hartford Fire, is scheduled to address the Rock Falls schools and E. B. Heffran will appear at events scheduled in Polo and Oregon. Mr. Braman will also address the Walnut schools.

The Ohio Fire Underwriters Association will hold its October meeting in Columbus next Tuesday.

Edmundson, Pacific Coast manager of America Fore, are conferring with eastern executives in New York this week.

NEW NATIONAL BOARD MEMBERS

William Penn Fire, Detroit National and Home of Hawaii have been admitted to membership in the National Board, bringing the total to 212.

Management Should Put Value on System of Audit

J. C. Barrows, comptroller of American Surety, addressed the meeting of the Comptrollers Institute of America in Chicago treating the various aspects of insurance auditing which are peculiar to or have a particularly important significance in the insurance industry. The insurance auditing function is complex and ramified and must be executed in synchronism with the operating functions of the organization. There must be a full appreciation on the part of top management of the necessity and value of adequate audit procedure.

Too often obvious deficiencies in a system of audit are not brought to light until after they have caused or contributed to a substantial loss from defalcation or from corporate action predicated upon false or misleading figures. This may result from a tendency to regard the cost of audit as a dead loss with little more than the sanction of custom to recommend it. Responsibility for audit should be fixed upon the comptroller or other chief accounting officer by the directors, preferably by specific reference in the by-laws and he should be clothed with the authority to carry on a comprehensive audit program.

Object to Cooperative's Grip

ST. PAUL—A policyholder and two directors of American Farmers Mutual Automobile, St. Paul, have filed a petition in district court to prevent an alleged "mismanagement mistake from being continued."

The charge is that the Midland Cooperative Wholesale and the Central Cooperative Wholesale, by means of interlocking directorates, controlled the Cooperatives Services Co., formed to handle and sell insurance for five cooperative and mutual insurance companies, and through this control forced through an agreement allegedly detrimental to American Farmers.

The latter charges that this agreement compels their company to pay more than half the expense of the operation of the service company, yet gives it only 20% control.

Whisky Holiday and Insurance

LOUISVILLE—Additional insurance on whisky, covering approximately 13,573,167 gallons was needed in Kentucky as a result of the beverage liquor making holiday in August, 1944, in which the first beverage liquor was made since October, 1942. According to approximate figures of the alcohol tax unit whisky production was 5,685,754 gallons; spirits or alcohol, 7,802,907 gallons, and gin, 86,604 gallons. Most of this production was placed in used cooperage, such as blending whisky or spirits, and some has already been bottled to meet demand for cheap white whisky.

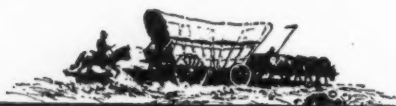
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NEW YORK

TORREY TO BOARD OF TRADE

The New York Board of Trade insurance section has elected to its executive committee Owen C. Torrey, general manager Marine Office of America. The section is working closely with the National Board and the New York City fire department in promoting Fire Prevention Week observance among its members.

COAST GROUP IN NEW YORK

S. L. Carpenter, Jr., manager of the Pacific Board; J. C. Bunyan, coast manager of Commercial Union, and H. C.

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Washington "Post" Urges Rehearing in S.E.U.A. Case

The Washington "Post" on Sept. 25 had an editorial expressing the hope that the Supreme Court will grant a rehearing in the S.E.U.A. case and also urging passage of the Walter bill to exempt insurance from the federal anti-trust act. "We are not impressed by the complaint of the Senate judiciary committee minority to the effect that enactment of this special bill would withdraw from the public the protection of the anti-monopoly statutes so far as insurance is concerned," the editorial states. "The fact is that those statutes have never been applied to insurance until the present case arose. Insurance is a business that can best be bent to the public interest by regulation instead of free competition. That regulation has been entrusted to the states and ought to remain there. If any element of federal control is desirable, we think Congress should pass special legislation for that purpose."

Burnside in New Venture

J. E. Burnside, president of Southeastern Fire of Charlotte, N. C., has resigned from that post and from the vice-presidency of the Auto Finance Company. He will become president of the newly formed Charlotte Finance Company, which has been capitalized at \$100,000.

Watkinson with Citizens

Citizens Casualty has appointed W. W. Watkinson, formerly underwriter with United States Casualty, as resident vice-president in charge of the branch at Newark. Mr. Watkinson started with the National Bureau in 1913. Later he was deputy insurance commissioner of Georgia.

Asks Liberality in Paying Hurricane Claims

(CONTINUED FROM PAGE 7)

decision, the insurance underwriters will create a very bad public opinion feeling in this state," he declared. "I understand these policies, while insuring against wind and rain, do not insure against tidal destruction. It might reasonably be assumed with risks right on the seacoast, if there was a hurricane that most naturally the ocean, within a few feet, would join with the rain and contribute something to the damage. Who is to judge whether the damage was done by wind or rain or by tide and waves?"

"Not According to Hoyle"

"If the question was to be raised, it was just not according to Hoyle to accept risks along the shore, knowing that such a question was to be raised. I'm making no statement. I am awaiting the final determination. I don't need to say that if claims are thrown out ad lib you would see a definite reaction that might be troublesome to us in public responsibility."

The advance copies of Governor Edge's speech which were distributed to the press were of little help in clarifying his meaning regarding payment of hurricane losses. The relevant section of his manuscript, which he followed only in a general way in his actual talk, was used by the New York "Times" and was as follows:

Text of Release

"I have heard considerable dissatisfaction among property owners who paid premiums for years in the belief their property was protected from damage caused by the recent storm only to be confronted with technical quibbling as to what constituted a tidal wave or hurricane and whether damage was caused by wind, water or a combination of both. While some insurance com-

panies may feel temporarily elated by getting out of the payment of just claims on such a basis, my own opinion is that the insurance companies will be much better served in the long run if they endeavor to build up public confidence by prompt payment of such claims in the hope of stimulating more property owners to seek such protection."

The rest of Governor Edge's talk dealt with state vs. federal supervision of insurance, insurance legislation enacted in New Jersey, and the desirability of the revisions in the state constitution to be voted on in the coming election. Governor Edge was a member

of the insurance committee at the recent conference of Republican governors in St. Louis. The committee reaffirmed and enlarged upon the Republican party's declaration concerning insurance adopted at the Chicago convention in July. He also called attention to the omission of any insurance plank from the Democratic platform. He spoke out vigorously for continued state supervision of insurance.

Gov. Edge has been away from his office virtually the entire time since Mr. Gilroy's reply was received here and efforts to obtain by telephone a clarifying statement from the governor himself were unsuccessful.

Competitive Situation Reviewed

LOS ANGELES—The Casualty Insurance Association of Southern California approved with one slight change a report on the competitive situation in this section submitted by a special committee. This report covered workmen's compensation, liability, automobile and burglary and theft lines. When finally adopted, it will be forwarded to the National Bureau of Casualty & Surety Underwriters and company home offices for their consideration.

Fred J. Van Horn, assistant manager of the National Bureau, reviewed briefly the situation that has arisen since the Supreme Court S.E.U.A. decision.

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AS SEEN FROM CHICAGO

BUS GARAGE LOSS

The garage of the Suburban Transit System at 109th street and Harlem avenue, Chicago, was destroyed by fire and eight buses were demolished. There was \$12,000 insurance on the one-story brick structure, and \$15,000 on contents exclusive of buses. J. L. Sybrandt, Western Adjustment manager on the south side, is handling the building loss, and Mr. Sybrandt and Roger R. Rider are handling the contents loss.

The buses were insured by Hartford Fire, and the loss is estimated at \$15,000 to \$20,000. Nine of the 17 buses in the garage were saved by a night attendant, A. E. Ecklund of Hartford Fire is handling the bus loss.

ADJUSTERS TO DISCUSS NEW FORMS

J. C. O'Connor, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, will discuss the new dwelling and contents form for Cook county before the Adjusters Association of Chicago at the Union League Club at noon Oct. 5. M. J. Powers, independent adjuster, is president of the association.

CONSIDER CODE CHANGES

Following a series of bowling alley fires in Chicago which have caused serious property damage and in some cases loss of life, Chicago now has under consideration two amendments to the municipal building code recommended by Chief Fire Marshal Mullaney. The latest bowling alley fire, at the Bowl-Haven, 1542 Devon, will cost the insurers around \$50,000.

The amendments contemplated are intended to correct construction details and would provide for construction of ventilators in the roofs of buildings housing bowling alleys and fire stops in the ceilings, in order to

prevent flames spreading so rapidly that firemen don't have a chance to put them out. Chief Mullaney said that processing of bowling balls and pins on premises is a major fire hazard and violates the fire code. Lacquer dust settles in concealed spaces such as suspended ceilings; then lacquer or other chemical fumes escape when pins are refinished and they find their way into open spaces between ceiling and roof, adding seriously to the fire hazard.

INSURANCE CLUB MEETING

The first fall meeting of the Insurance Club of Chicago will be held Monday evening, Oct. 16 at 5:15 p.m. in the auditorium of the Chicago Board.

Guests of honor will be the students who successfully passed their courses in the Insurance Institute of America educational work last year. C. M. Cartwright of THE NATIONAL UNDERWRITER will present the certificates.

R. A. Parker, manager of Cook County Inspection Bureau, will be formally initiated as a member of the educational committee of the Insurance Institute. The educational classes of the Insurance Institute have been sponsored by this committee in Chicago for 37 years.

Speaker of the evening will be D. P. Skaer, assistant manager of the Cook County Inspection Bureau whose topic will be the recent rate, rule and form changes as promulgated by the bureau in September. Mr. Skaer has consented to hold a question and answer period.

There is no admission charge to the meeting and everyone is invited to attend.

VA. F. & M. CHICAGO PLANS

H. D. Pitot, vice-president of Virginia Fire & Marine, has been in Chicago completing arrangements for the operation of his company in the city as soon

as an Illinois license is issued. The MacGibney-Wilkerson agency, Insurance Exchange building, Chicago, is to be appointed as agent and MacGibney-Wilkerson have applied for class 1 membership in the Chicago Board of Underwriters.

Virginia Fire & Marine operated in Illinois a number of years ago when it was under the management of the western department of Providence Washington and when that arrangement was terminated it withdrew.

President Claude Minor of Virginia F. & M. states that eventually when the manpower situation has resumed more normal conditions he expects to develop Illinois on a state-wide basis. However, for the time being it will confine its operations to Chicago. When it does extend its activities it will employ a field man. Within the last three years the company has entered Maryland, Mississippi and Arkansas.

NEW YORK INSURANCE REPORTER

Miss Jean Wilson, for 2½ years a member of the reportorial staff of the Chicago "Journal of Commerce," is being assigned to its New York City office, 120 Broadway, as insurance news representative. It has had no insurance reporter there since Carl Pearson joined the New York "Journal of Commerce" some weeks ago.

R. E. VERNOR TO SPEAK

Richard E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, and president of the National Fire Protection Association and the Greater Chicago Safety Council, will talk on "America Under Fire" at a joint Fire Prevention Week luncheon sponsored by the Chicago Association of Commerce, Chicago Board, and Greater Chicago Safety Council Oct. 13, at the Hotel La Salle.

Insurance men are being urged to turn out for the fire prevention show Monday at 10:30 a. m. in the Commonwealth Edison building, Chicago. It is sponsored by the Chicago Association of Commerce and the Chicago Board is cooperating. Speakers will include Mayor Kelly, Fire Marshal Corrigan and Jean Parker, the movie actress.

The program will be broadcast over WGN.

Ordnance Needs Insurance Man

E. F. Kenealy, formerly with Cornwall & Stevens, New York brokers, leaves the army ordnance insurance section this week to take up his duties under navy orders as lieutenant (j.g.). He has handled casualty matters for ordnance since June, 1943. George Ort, ordnance insurance chief, is looking for a man to take Kenealy's place.

Curran Stands for States Rights

At a hearing before a group of fire, casualty and surety company executives and agents and brokers in New York City, Thomas J. Curran, New York secretary of state, Republican candidate for U. S. Senator, asserted that he was for exclusive regulation and supervision of insurance by the states. He said he is for the Walter bill and that he will, if elected confer with a committee from the industry between election day and convening of the new Congress to prepare a bill for introduction in the Senate which will provide a solution of the controversy caused by the Southeastern Underwriters Association decision.

Hartford College Courses

The Hartford College of Insurance of the University of Connecticut at Hartford opened for the fall term Oct. 4, offering classes in insurance law, fire insurance, casualty insurance principles and practices, advanced casualty problems, and C.P.C.U. principles and practices, and C.L.U. and Life Office Management Association courses.

Fire Losses Retard War Effort, Board Points Out

Fire losses should be viewed not only in terms of dollars but in terms of progress toward finishing the war, the National Board emphasizes. Several million dollars were lost when a magnesium plant making bombs burned but it was far more costly as a hindrance in ending the war. Factories burned out of war production include: camouflage manufacturing, railroad equipment, paper mills, essential rubber products, army ordnance depots and warehouses, lumber yards and important automotive equipment. Vital food supplies also have been destroyed in processing mills and warehouses. Some single fires caused damage up to \$3,500,000.

Recognizing that under wartime conditions, with fire losses mounting, it is important to maintain municipal fire departments at high efficiency, the board has sent a special bulletin to fire department officers and safety men, urging them to make provision now for obtaining new fire-fighting apparatus to replace that which has been worn out or become obsolete.

Banks Keenly Interested in Consumer Loan Field

Following the American Bankers Association Convention in Chicago last week the special committee of the association on consumer credit held a two-day meeting at which it discussed loans to small businesses and loans for consumer purchasing. Walter B. French, deputy manager of the A.B.A., presided at the session as director of the committee.

11,000 Indicate Intention

The A.B.A. recently sent out a questionnaire to the 15,000 banks of the country asking them to indicate whether they intended to enter the consumer credit field after the war. Specifically mentioned were four items, including automobiles, airplanes and home appliances. Out of the 15,000, 11,000 indicated that either they are now in the field or intended to enter it after the war. This compares with 7,000 banks which were in the field in 1940, according to a survey then by the A.B.A.

Unrestricted Hiring of Veterans May Help Some

Insurance people may get some relief on the help situation, which is expected to continue tight for another three months at least, from the lifting of manpower controls over veterans of the present war. It is estimated there are 1,500,000 returned veterans. The veterans are not required to secure or present statements of availability in order to change jobs; they do not need a referral by the United States Employment Service, irrespective of the essentiality or priority status of the jobs they are on; and veterans may be hired without regard to employment ceilings.

Veterans are defined as those who have served in the armed forces subsequent to Dec. 7, 1941, and who have anything other than a dishonorable discharge. "Armed forces" includes army, navy, marine corps, coast guard, naval reserve, national naval volunteers, W.A.C., Waves, Spars, and women marines.

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Storm Loss May Exceed \$11 Million

(CONTINUED FROM PAGE 9)

directly by tidal waves, high water or overflow whether driven by wind or not."

"I am of the opinion," the judge stated, "that the plaintiff has placed its case directly within the exceptive provision and may not recover on that ground under the decision in Newark Trust Co. v. Agricultural Insurance Co., 237 F. 788 (C.C.A. 3, 1916) which is binding on this court."

In that case a similar provision was the subject of controversy. The U. S. circuit court of appeals held that "as the jury found that the house was destroyed by water and as the contract denies liability for damage 'caused by water, whether driven by wind or not,' the plaintiffs' case, based upon the theory of wind-driven water, comes within the second exempting clause and necessarily fails."

The federal district court in the Wootton Hotel case points out that in the case on which the plaintiff relied as precedent there was no provision in the policy specifically and clearly excepting the hazard.

Buying Cover After Storm Warning

The fact that the United States weather bureau's excellent storm warning service was given far ahead of time through radio and newspapers, enabled many brokers and agents to make a quick telephone canvass of their insured who lacked windstorm protection and to sign them up. This has raised the question in some quarters whether it is sound for companies to accept business that comes in when a storm is immediately impending. Most companies accepted business written just before the hurricane struck but a few refused to do so. It is understood that some who refused did so because of their experience in the 1938 hurricane when quite a few of those who bought windstorm insurance when the storm was approaching cancelled it as soon as the skies cleared.

However, it is obvious from the number of claims and the estimate of damage in the Sept. 14 hurricane that a vast number of those who bought windstorm or extended coverage after the 1938 storm kept it in force for the percentage of insurance losses to total damage is vastly higher than it was in 1938.

Little Chance of Waiting Period

Well informed company men here see little chance of any sort of waiting period for windstorm or extended coverage. Years ago all along the Atlantic seaboard there was a rule that prevented buyers from obtaining coverage against an immediately impending storm. It involved so many complications and inequities that it was eventually dropped. The fact that the companies tried this plan and scrapped it will be a strong argument against trying it again, it is believed.

In Florida there is a very widely observed custom among agents not to accept windstorm or extended coverage within 48 hours after storm warnings have been hoisted.

So far as could be determined, risks accepted just before the Sept. 14 storm were not exceptionally hazardous and represented no selection against the companies except that they were in the area due to be hit by the approaching hurricane. What soured some companies on last minute risks was that quite a few of these that bought coverage just before the 1938 storm cancelled as soon as the wind died down. One proposal currently being discussed is to ask brokers or agents to guarantee the premium on these Johnny-come-latelers.

What companies are up against is exemplified by the request of a prominent New York City bank. A few hours before the storm it asked for a binder on wind coverage for all its properties, say-

ing it would decide later whether to take the policy. The fact that this year's storm came only six years after the 1938 blow which hit the same general area will undoubtedly be a persuasive argument for keeping windstorm or extended coverage in force at all times. After the 1938 hurricane there was some tendency to think that such a storm in this part of the country was a freak of nature and needn't be looked for again.

Aetna Fire Marine Shifts

Eric W. Shepherd has been transferred from the Atlantic marine department of Aetna Fire to the Pacific de-

partment in San Francisco as special agent to assist in the development of inland marine business. He has been at the Atlantic marine department with headquarters in Philadelphia since 1939. He is a native of Liverpool and was graduated with an engineering degree from Hartley University of England. He was with the Aetna marine department at the home office from 1929 to 1939.

Special Agent Charles L. Hurlbut, Jr., succeeds Mr. Shepherd in the Atlantic marine department. He is a native of Hartford, joined Aetna in 1941 in the marine department and a short time

later was made inland marine underwriter.

At the fall meeting of the Insurance Women of Denver, Maj. Samuel T. Jones, Jr., formerly local agent at Pueblo, and now assistant to the commanding general of the Rocky Mountain Arsenal at Denver, spoke on chemical warfare. The Denver Club will put emphasis this year on war work and educational classes for both beginners and experienced insurance women.

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SERVICE HEADQUARTERS FOR ALERT AGENTS

Industry Rift on U. S. Legislation Aired at Chicago

(CONTINUED FROM PAGE 7)

either of those acts "shall apply to the business of insurance or to acts in the conduct of that business."

There was considerable discussion Monday afternoon of the possible effect of the prohibitions in the Clayton act against interlocking directorates, etc., in the insurance field. This question had been discussed to some extent, but not nearly as thoroughly as other aspects of the problem.

The meeting started off Friday afternoon with a persuasive plea by E. C. Stone, U. S. manager of Employers Liability, for a program of first concentrating on getting a rehearing and reversal of the S.E.U.A. decision; secondly, failing that, to endorse the idea and work for a constitutional amendment removing insurance from the commerce clause and while that project is being carried forward supporting legislation for outright exemption of insurance from the federal trade commission, Robinson-Patman and Sherman and Clayton anti-trust laws.

Band Wagon Movement

Mr. Stone who had previously won the admiration of the commissioners and industry people with presentations at meetings on the great subject of the hour, made a superb plea and it appeared for a while as if he had started a band wagon movement. The stock fire group strongly seconded his position and one after another of the industry groups represented spoke amens except that A. V. Gruhn, general manager of the American Mutual Alliance somewhat marred the band wagon effect. His conclusion was favorable to the Stone program but he pointed out that the mutual group had been busily engaged in drafting suggested legislation to conform to the St. Louis statement of principles which did not include a constitutional amendment but instead

calls for a declaration by Congress that it desires state insurance regulation and taxation to be unimpaired and which also embraced only partial exemption from the Sherman and Clayton anti-trust laws. The total effect of his remarks was to impede somewhat the momentum of the Stone proposals.

There was another meeting on Saturday at which Mr. Harrington announced that the commissioners committee while authorized to explore the general subject could go no further at Chicago than seek to devise legislative language to carry out the St. Louis policy.

Occupy Key Position

The life insurance industry committee did not arrive until Sunday and it was obvious that they occupied the key position. Were they to give the nod to the Stone program there would be substantial uniformity in the industry position and that could not but have carried enormous weight with the commissioners. But this was not to be.

Leroy A. Lincoln, president of Metropolitan Life, acted as spokesman for the life insurance committees, consisting of three from Life Insurance Association of America and three from American Life Convention. He said that "we would look with favor on a suitable constitutional amendment," but he stated that Claris Adams, president of Ohio State Life, and A. J. McAndless, president of Lincoln National Life, members of the A.L.C. committee, were opposed to such an undertaking.

Garrison Bill

Mr. Lincoln referred to the Garrison bill sponsored by Commissioner Garrison of California and which was publicized at just about the time the insurance commissioners were adopting their statement of policy at St. Louis. According to Mr. Lincoln, Mr. Garrison

felt that it was time that specific legislation should be advanced and also that "someone" should see Senator O'Mahoney of Wyoming who has been the arch foe of the Bailey-Walter bills to give insurance outright exemption from the anti-trust laws. Mr. Lincoln said that he shared the view that legislation should be prepared and put on paper. Senator Radcliffe of Maryland, who is executive vice-president of Fidelity & Deposit, called Mr. Lincoln saying that O'Mahoney would like to discuss the question with Mr. Lincoln. A meeting was arranged that was attended by Senators Radcliffe and O'Mahoney and Mr. Lincoln. On the day of that meeting Mr. Lincoln said he had received from Mr. Garrison a draft of the bill that the California commissioner was advocating. Mr. Lincoln showed this bill to the senators and O'Mahoney took a copy with him. At a later session C. G. Taylor, first vice-president Metropolitan Life, and James A. McLain, president of Guardian Life and president American Life Convention, were present.

CRUX OF DISPUTE

Certain changes in phraseology in the Garrison bill were suggested. Mr. Lincoln said that he called E. C. Stone and informed him of the Garrison bill and Mr. Stone asked permission to show it to Commissioner Harrington. Mr. Lincoln said he also showed it to Superintendent Dineen of New York.

Crux of Whole Thing

The crux of the whole thing, according to Mr. Lincoln, is in Section 4 of the St. Louis statement by the commissioners and Section 3 of the Garrison bill. The St. Louis statement favors an exemption from the anti-trust laws of reasonable insurance cooperative procedures in the realm of rate making, etc., whereas the Garrison bill would exempt such procedures only if done pursuant to specific state laws.

The life insurance executives, Mr. Lincoln stated, are confident that there is nothing in their business that conflicts with the federal anti-trust laws and their primary interest was in preserving state supervision. The life insurance people concluded that they were not competent to express an opinion on the anti-trust question except they do believe that the insurance business should not be granted complete immunity from prosecution under the anti-monopoly laws.

Life people recognize that the fire and casualty business requires concert of action but the life companies also feel that they are not qualified to discuss in detail the extent of the exemption that the fire-casualty groups require.

Psychology of Government

A psychology of government that is reflected in the federal anti-trust laws and that is applicable to every other business should not be made inapplicable to insurance, Mr. Lincoln contended. A way should be spelled out, he said, to make the fire and casualty companies free from prosecution in the type of concert of action that is necessary to them. The life companies have no desire, he declared, to stand in the way of the fire and casualty group. They do have an earnest desire to see state supervision maintained.

Thereupon Mr. Adams was called on to state the reasons for his opposition to the idea of a constitutional amendment and there was much discussion on that point.

Then Mr. Stone arose and repeated in large part the plea that he had made on the first day of the meeting so as to give the life insurance group an understanding of the philosophy surrounding the fire-casualty position and he charged the life insurance committee with taking an inconsistent stand. He

made an analogy between the life insurance position and the "Mother, may I go out to swim" jingle.

"Strict and exclusive supervision of insurance by the states is the ball," Mr. Stone declared, and he argued that the life people are not keeping their eyes on the ball.

The first undertaking, he pointed out, is to try to get a rehearing and reversal of the Supreme Court decision. If that is done then insurance supervision is put back in the position that it had occupied until June 5, when the momentous decision was handed down. That would mean among other things complete exemption from the federal anti-trust laws. The life people, he declared, have not expressed opposition to the attempt to get a rehearing.

If a rehearing and reversal cannot be obtained then the only other way absolutely to go back to the status quo anti is a constitutional amendment and if that were done insurance would again be completely exempt from the anti-trust laws. Mr. Stone pointed out that Mr. Lincoln had just endorsed the idea of a constitutional amendment. But when it comes to emergency stop gap legislation the life insurance companies insist that the Sherman act be kept in force to a certain extent.

FTC Exemption

Mr. Stone declared that the life companies desire all-out exemption from the federal trade commission act but when it comes to the anti-trust law which does not apply to the life business at all the life people are afraid of "public agitation" on account of insurance seeking complete exemption. He asked whether that is fair. "We ask you to go the full limit with us," he said. He declared the life companies don't want to be subject to investigation under the unfair practices act but so far as anti-trust is concerned they want to go half in the water and leave half of their clothes on the hickory limb. Somebody, he said, has been drawing a red herring across the page.

An assistant attorney general who was attending the Chicago sessions, Mr. Stone said, declared that the effort to get a reversal of the Supreme Court opinion would be impeded by an industry declaration for only qualified anti-trust exemption. He did not name that assistant attorney general but Harold Persons, assistant attorney general of Wisconsin, was attending the meeting.

LINCOLN'S REPLY

Mr. Lincoln in his reply said that the life people had nothing to do with the brief of the 41 attorneys general for a rehearing of the S.E.U.A. case. Mr. Lincoln stated that Mr. Stone had implied that he had his tongue in his cheek when he said he was supporting state supervision. Life people, he said, are heartily for state supervision. They simply don't want to be the one business in the United States that is not subject to anti-monopoly prosecution.

As to the federal trade commission act, he said if this were made applicable to insurance, examination of insurance companies could be duplicated by a federal agency to no good purpose. He pointed out that Metropolitan Life is examined every three years. The examination takes about a year and a half and occupies 25 or 30 examiners from the New York department.

In other words, 50% of the time Metropolitan Life is undergoing a me-

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ticulous examination and special examinations can be conducted at any time. If on top of that the FTC should come in the situation would be chaotic, he contended.

Mr. Gruhn at this point was asked for any comment and he contented himself with a wisecrack that was appreciated: "More life has been given to the meeting."

Williams Charges Inconsistency

E. L. Williams, president of the Insurance Executives Association, stated that the position of the life insurance people is completely inconsistent. He said he has no fear as to what the public will find out "about our business."

Congress, he said, won't be misled by requests for complete exemption from the anti-trust laws. The arguments of the opponents have been fully met, he said. A survey of magazine and newspaper comment shows that 68% are completely in favor of the Walter bill to exempt insurance from the anti-trust laws. Only 15% expressed active opposition and much of that opposition was based on the fact that the life people are against the Walter bill.

Congress, Mr. Williams stated, is for complete state supervision with no federal strings. He referred to the fact that the Walter bill passed the House by better than 5 to 1 and was favorably recommended by the Senate judiciary committee 11 to 6. "We better cast our lot with the majority," he asserted.

Long ago, he said, the fire insurance people expressed to the insurance commissioners fears on the score of the federal trade commission act. This was not an immediate problem, however, and the congressmen that were steering the Walter bill insisted that the legislation be confined to the anti-trust law on the theory that criticism would be aroused if an attempt were made coincidentally to get out of the federal trade commission act because that deals with unfair practices. The fire people declared that at any time they were willing to help other elements of the business solve any problem that arose for them and the fire people ask the same support of the life insurance industry.

Capacity of States

The question has been raised, he stated, whether monopoly and boycott problems can be handled by the states. He expressed the belief that the insurance commissioners have the power to control such practices or can learn how to exert power. The fire people have no fear of public reaction in asking for complete exemption from anti-trust. There is no indication of such reaction and "quite to the contrary," he concluded.

McCormack of Tennessee asked whether the fire and casualty people had ever conferred with the life insurance people on what might be regarded as "nefarious practices" in the fire-casualty field. Mr. McCormack stated that he is opposed to nefarious practices but he believes that the fire and casualty companies are not guilty of them.

J. R. Berry, general counsel of the National Board of Fire Underwriters, said that if the operations of the Interstate Underwriters Board constitute the major sin in the fire insurance field, the insurance commissioners have nothing for which to hang their heads. The total I.U.B. premiums are less than 1% of the total fire company premiums and if the departure from the rate norm in I.U.B. underwriting is 8% the amount involved is very small.

Mr. Lincoln replied that the life companies are not charging the fire insurance people with nefarious practices.

Adams Expounds Views

On the score of the constitutional amendment, Mr. Adams was invited to express his views. He voiced the opinion that such an amendment does not belong in the constitution and he also expressed doubt as to the feasibility of securing such an amendment and the politics of it from an institutional standpoint. He said that if a constitutional amendment were being sought, it would

become a question of the hour, it would be the subject of high school debate, it would be brought up before local unions. It would be discussed before women's clubs. He expressed the belief it would provide a sounding board to every critic of the institution to voice whatever peeve he was nursing. He contended that it would engender a bad reaction at a time when the insurance business has the complete confidence of the people.

Mr. Adams contended that if insurance sought the cover of the constitu-

tional amendment it would be an invitation to other businesses to do likewise. Mr. Harrington inquired what other business might find itself in the position of insurance and would try to get a constitutional amendment.

Mr. Adams was unable to cite any specific examples but he said that situations might arise that would make such a course inviting to other businesses. He went on to say that the details of legislation should not be written into the constitution. A number of the states, he said, have made the mistake of em-

bodiment too much detail in their constitutions.

Mr. Lincoln took issue with Mr. Adams on the constitutional amendment question saying that insurance occupies a unique position in that it has been traditionally in the hands of state supervision. It stands out from other businesses and he expressed the belief that it could properly ask for a constitutional amendment.

Mr. Harrington asked Mr. Adams whether state regulation could be preserved without a constitutional amend-

WILLIAM G. LONG JUDGE OF THE SUPERIOR COURT SEATTLE 4

April 3, 1944

American District Telegraph Company
1537 Fourth Avenue
Seattle, 1, Washington

Gentlemen:

With reference to your report on the fire occurring in the King County Juvenile Detention Home on March 3, I wish to express my heartfelt appreciation for the service which your Aero Automatic Fire Alarm system rendered.

In this detention home there is an average population of between twenty-five to thirty-five boys and girls ranging in age from infants to eighteen years.

Doors, windows and fire escapes are necessarily always locked in order to prevent escapes. This, of course, creates a potentially hazardous situation in case of fire and has been a constant source of worry and concern to me, because I am officially responsible for the safety of every child being detained.

The possibilities of panic in a fire have continually haunted me until we had an actual demonstration as to what your equipment actually does in time of emergency.

The fire was incendiary, having been planned and executed by some boys in detention who carefully worked out the details of a general escape of all inmates in the confusion which they thought would follow the fire.

In this plan they were frustrated for the reason that the automatic detector spotted the fire in the isolated clothes closet and in a few moments the fire department and police officers were on hand directing their attention to the specific spot of origin. It was all over in a few moments, no particular damage was caused, there was no panic, no confusion and no casualties.

As a matter of fact, it all happened so quickly and was so effectively handled that the staff workers in the other part of the building were not even disturbed and really didn't know what was happening until it was all over.

In my opinion, the entire cost of maintaining this alarm system, both past and future, has been more than paid for in this single incident.

I extend to your company, and to your representative who negotiated the installation, my heartfelt gratitude.

Yours respectfully,

William G. Long

WUL:BT

THANK YOU, JUDGE LONG...

We are sure that everyone who is directly or indirectly responsible for the safety of life and property will welcome your opinion of the protection A. D. T. Aero Automatic Fire Detecting and Alarm Service affords...every moment of the day and night. Booklet and complete information on this widely endorsed fire detecting system will be sent without obligation. Write us...TODAY.

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A NATION-WIDE ORGANIZATION

ment and Mr. Adams expressed the opinion that the states can enforce their regulations to the point that such regulation obstructs or burdens interstate commerce. He said the states have broad power and can operate freely until they do some arbitrary thing that unduly obstructs commerce.

Mr. Dineen asked Mr. Adams what he believed the disadvantages are to the Walter bill. Mr. Adams replied that although fire and casualty companies need to engage in cooperative efforts the Sherman act is a popular law. He said that he as president of a medium sized company would not want the large institutions to be able to make agreements among themselves that would be disadvantageous to him. He expressed the belief that the public reaction would be

unfavorable if the life insurance companies took the position that they wanted to be out of the law prohibiting boycotts, blacklisting, etc. The life insurance business does not want to be above the law in respect of conspiracies and restraint of trade.

Difficult But Not Impossible

Mr. Harrington asked whether it is possible to amend the Sherman act to accomplish the objectives. Mr. Adams replied that it is difficult but not impossible.

Scheufler of Missouri asked Mr. Adams whether the states could handle monopolistic practices as well as the federal government. Mr. Adams replied that the states do not handle these matters as effectively as the federal government does. However, the states could handle it in a democratic way through collaboration on the part of the states attorneys general. He said that what they might do would be sufficient but not as effective as federal prosecution.

The meeting got off to rather an awkward start Friday morning.

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Through this series we have endeavored to outline the training your dog will receive if he becomes an Army war dog. If we have succeeded in gaining your dog as a recruit for Uncle Sam, we will feel well repaid for our efforts.

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GRUHN IS SHY

The industry people were not prepared to make their presentation at that time because the stock fire and casualty representatives were closeted elsewhere in the hotel putting the finishing touches on their program. There was no one ready to speak and Mr. Gruhn was urged to say something. He expressed objection to being the lead off man, saying that he understood that the question of policy was being reopened and if that were so he hesitated to submit to the commissioners the draft of suggested legislation that the mutual conferees had prepared. It turned out that Mr. Gruhn was supposed to have been invited to the stock fire-casualty meeting but that something had gone awry and he was not apprised of it. Mr. Gruhn said that the mutual people had prepared six different suggested drafts of legislation to implement the St. Louis statement of policy.

Goodwin Presents Stone

Friday afternoon, however, the stock casualty-fire people were ready. Ray Murphy, general counsel of the Association of Casualty & Surety Executives, was introduced and he presented R. V. Goodwin, first vice-president Fireman's Fund Indemnity and chairman of the casualty executives committee. He observed that as the discussion has progressed there has been frequent change of mind and he stated that Mr. Stone would be the spokesman.

Mr. Stone spoke of the No. 1 plank in the St. Louis declaration which is an enactment by Congress that it shall be its policy to let state regulation and taxation stand. Mr. Stone stated that the casualty executives group has been striving to develop some legislative enactment that would accomplish that purpose and it has proved to be extremely difficult. At a later point he said that he has come to the conclusion that it is impossible to do so. The greatest obstacle to be surmounted is the fact that Congress cannot delegate its power under the commerce clause to the states. Also it is extremely difficult to distinguish in insurance between what is intra and what is interstate. There is

an infinite variety of transactions in the insurance field. It is a far more complex problem than merely dealing with some single commodity.

The executives association came to the conclusion that the difficulty is so inherent the only way to satisfy the No. 1 plank in the commissioners' program is by way of a constitutional amendment. The industry, he said, should provide an undivided front. It should unhesitatingly maintain a strong position. It should not advocate federal supervision in any measure.

The industry should go as far in proposing legislation as it is seeking to go when it is trying for a rehearing of the S.E.U.A. case.

There should be no departure from the program that is involved in asking for a rehearing.

As for the feasibility of securing a constitutional amendment, he pointed out that 41 attorneys general (now 42, Massachusetts' having come in) are supporting the petition for a rehearing of the S.E.U.A. case and that is more than the necessary number of three-fourths of the states that is required for a constitutional amendment.

Ex Post Facto Feature

He said it makes his blood boil to reflect upon the fact that a minority of the court in the S.E.U.A. case produced judicial legislation of an ex post facto nature in a criminal case. Under the circumstances the business has a right to do anything that will get it back to where it was before the decision was handed down. He pointed out that Congress itself could not enact ex post facto laws and the constitution prohibits state legislatures from doing so.

As to taxation, Mr. Stone declared that the casualty executives group has been unable to draft legislation to preserve for the states to the full extent their right of taxation. Every state statute must be passed on by the U. S. Supreme Court before it can be known to what extent it burdens interstate commerce.

PRIVILEGE TAX

All that are interested in state government, Mr. Stone contended, would work for a constitutional amendment. There would be the attorneys general, the insurance commissioners and because of the tax situation the governors could be expected to support it.

So long as insurance is interstate commerce, Mr. Stone declared, no tax that is imposed upon an insurance company for the privilege of doing business in a state is constitutional and much of the state legislation is based on the idea that it is a privilege for an outside company to enter the state.

Opportune Time

The last five amendments to the constitution, Mr. Stone stated, were passed within a period of a year. This is the opportune time to urge such a project because most of the state legislatures will be in session in 1945.

Mr. Stone contended that if the industry does not ask for complete exemption from the anti-trust laws, to be consistent any amendment to the federal trade commission act would have to be qualified.

Mr. Harrington asked Mr. Stone whether he had any recommendation as

to the method of handling remedial legislation. Mr. Stone said that the consensus is that the Walter bill should be amended on the floor of the Senate.

D. C. Bowersock, speaking for the Inland Marine Underwriters Association, said that his organization wants everyone to go down the road towards full state control.

L. H. Webb of Conkling, Price & Webb, Chicago, representing the National Association of Casualty & Surety Agents, stated that his organization is in favor of the program as did H. Phelps Smith of Nashville for the National Association of Surety Bond Producers.

John Panchuk, Federal Life & Casualty, expressed opposition to the idea of a constitutional amendment. Such a movement, he predicted, would start a chain of events that no one knows where it would end.

R. J. Wetterlund, Washington National, speaking for the Health & Accident Underwriters Conference referred to a statement that has been filed by his organization strongly supporting state control.

Mr. Gruhn stated that he had nothing to criticize in Mr. Stone's program if the objective is unimpaired, exclusive state regulation of insurance. In reference to the bill suggested by Mr. Williams Mr. Gruhn said there is no necessity for mentioning the labor laws because those statutes are made applicable to insurance by reason of the S.E.U.A. and Polish National decision.

The mutual committee, he said, had been working on the theory that the commissioners St. Louis statement was

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the final word and they had devoted much attention to an amendment to permit reasonable cooperation in rate making practices, etc. They had attempted to separate the black from the white and that was very difficult. They found they either went too far in one direction or the other. Anything that was likely to be acceptable to Attorney General Biddle and O'Mahoney would probably restrict the field of cooperation too drastically. If the bill goes in the direction that Biddle and O'Mahoney want it would probably require each state to enact rate laws to the liking of Biddle and O'Mahoney and then Congress would have taken away from the states choice in the matter.

NEW LAW SUGGESTED

One suggestion was to exempt insurance from the Robinson-Patman, FTC and anti-trust acts and then to enact a new insurance anti-monopoly law defining just what shall constitute monopolistic practices in restraint of trade in the insurance field.

Mr. Gruhn stated that if Mr. Stone's program prevails the mutuals will be glad to cooperate in drafting legislation and will also continue their efforts to implement the St. Louis statement if that is retained.

Statement of Moser

Henry Moser of Chicago, general counsel for Allstate who incidentally is chairman of the insurance section of the American Bar Association, stated that though the Stone program goes further than the St. Louis statement if the committee approves the former, he would lend his support to it. On the labor angle, Mr. Moser mentioned that the national labor relations act applies to businesses that affect commerce, whereas the fair labor standards act governs businesses that are engaged in commerce. There would be no question about the applicability of the NLRA even though a constitutional amendment should be adopted but labor might feel that a constitutional amendment would imperil the fair labor standards act.

Mr. Moser expressed the belief it would be a mistake to try to solve the tax problem of the states by getting a congressional declaration of policy. By including reference to taxes in that declaration the constitutionality of the entire act might be jeopardized.

Mr. Moser went on to express opposition to the Garrison bill on the ground that it would exempt from the anti-trust laws only those reasonable procedures that are taken pursuant to specific state law. Mr. Moser had just made a talk on that subject at the annual meeting of the National Fraternal Congress at St. Louis and he repeated the points that he had made before the N.F.C.

At the Saturday morning session Mr. Harrington emphasized that the purpose of the committee was to implement the program of the executive committee. It has authority to explore other matters but its real job at Chicago was to frame legislation. He said he would like to have at least one member from each branch of the industry to aid the commissioners' committee in the mechanical work.

There was considerable discussion of whether in connection with the commissioners' proposal No. 1, the matter of state regulation and state taxation should be bracketed. Some felt that a declaration of policy by Congress would have a better chance of standing up in the area of state regulation than in the matter of taxation and there would be the danger that if the two were put together the whole measure might fall if the policy in regard to taxation were held to be invalid.

Mr. Williams stated that in the majority report of the Senate judiciary committee on the Walter bill it was emphasized that this measure deals with a matter of policy. The majority takes the position that Congress should lay hands off and it is not material for Con-

gress to go into various insurance practices. They advocate full and complete state regulation. There is an opportunity to act now and action should be taken, he said. If the insurance business doesn't stand four square with state regulation, Mr. Williams contended, it will end up with federal regulation and in the interim it doesn't know where it stands.

On the question of taxation Congress realizes that it is difficult to delegate powers but the congressmen felt that if they took a firm stand through the Walter bill showing the intent of policy

of Congress it would have a strong moral effect.

Mr. Williams presented a bill that the casualty-fire people had suggested as an amendment to the Walter bill. It includes a declaration of policy and adds exemption from the federal trade commission and Robinson-Patman acts, and it includes a statement that the insurance business is in no way exempted from the labor laws.

Mr. Williams expressed the belief that the congressmen who are the leading exponents of the Walter bill would prefer to put in the amendment on the

floor of the Senate. If the amendment were introduced today there would be the danger of new hearings being conducted and the judiciary committees want to avoid further hearings.

Position of Labor

Mr. Dineen asked whether organized labor might not express opposition. Mr. Williams replied that there is no reason why labor should be aroused. The decision of the Supreme Court in the Polish National Alliance case is proper, he declared. It is a correct decision. The proposed amendment to the Walter

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national advertising of Fire Association Group suggests regular review of property insurance. This October ad appears in Nation's Business and U. S. News.

INSURANCE CALENDAR



OCTOBER

On October 9, 1894, movies had their world premiere when the first commercially shown motion picture (*Mis Jerry*) was put on in New York. The same year, Underwriters' Laboratories, Inc., was sponsored by leading capital stock fire insur-

ance companies to develop methods of fire prevention. Both have contributed much to living. Without movies, certainly, life would be a lot less pleasant; without Underwriters' Laboratories, it would certainly be much more hazardous.

"The right to vote was not easy to come by—exercise it!"

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ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

OCT.	Latitude +30°	Latitude +35°
	SUNRISE	SUNRISE
1	5:53	5:46
6	5:56	5:40
11	5:59	5:34
16	6:02	5:28
21	6:05	5:23
26	6:08	5:19
31	6:13	5:14

OCT.	Latitude +40°	Latitude +45°
	SUNRISE	SUNRISE
1	6:56	6:43
6	6:01	5:35
11	6:06	5:27
16	6:11	5:20
21	6:17	5:12
26	6:22	5:05
31	6:28	4:59

OCT.	Latitude +30°	Latitude +40°
	MOONRISE	MOONRISE
1	5:50	5:03
3	7:12	7:21
5	8:40	9:24
7	10:18	11:38
9	11:53	1:23
11	12:59	2:49
13	2:47	3:59
15	4:31	5:02
17	6:16	6:05
19	8:04	7:14
21	9:53	8:39
23	11:50	10:25
25	1:32	1:54
27	3:01	3:13
29	4:22	4:49
31	5:44	6:05

OCT.	Latitude +30°	Latitude +40°
	MOONSET	MOONSET
1	5:53	5:46
3	7:12	7:21
5	8:40	9:24
7	10:18	11:38
9	11:53	1:23
11	12:59	2:49
13	2:47	3:59
15	4:31	5:02
17	6:16	6:05
19	8:04	7:14
21	9:53	8:39
23	11:50	10:25
25	1:32	1:54
27	3:01	3:13
29	4:22	4:49
31	5:44	6:05

To obtain local times of sunrise and sunset: for longitudes other than the standard time meridians (i.e., 75°, 90°, 105°, and 120°, for Eastern, Central, Mountain, and Pacific Standard Time), decrease the time four minutes for each degree east of the standard meridian, or increase the time four minutes for each degree west of the standard meridian.

- 1—Su.—☾ Full Moon, 11:22 P. M., E. S. T. 1910, "Times" dynamited—Los Angeles, Calif.
- 2—M.—1780, Major André hanged as spy.
- 3—Tu.—1800, George Bancroft, noted historian, born.
- 4—W.—1780, Phillips Andover Acad. incorporated.
- 5—Th.—1896, \$22,000,000 loss, Guayaquil, Ecua., fire.
- 6—Fr.—1915, Wilson-Galt engagement announced.
- 7—Sa.—Make a standing engagement with your Agent to renew your property insurance regularly!
- 8—Su.—☾ Last Quarter, 8:12 P. M., E. S. T.
- 9—M.—1943, U. S. patrols crossed Volturno, Italy.
- 10—Tu.—1775, last colonial Governor left Mass.
- 11—W.—1890, D. A. R. founded, Washington, D. C.
- 12—Th.—COLUMBUS DAY.
- 13—Fr.—1921, parade of 20,000,000 unemployed, Eng.
- 14—Sa.—1943, Fortress raid on Schweinfurt.
- 15—Su.—1582, introduction of Gregorian Calendar.
- 16—M.—Never a better time to buy property insurance—rates are the lowest ever!
- 17—Tu.—☾ New Moon, 12:35 A. M., E. S. T.
- 18—W.—1635, Roger Williams tried for heresy.
- 19—Th.—1943, Hull-Eden-Molotov conference began.
- 20—Fr.—1774, Articles of Association signed.
- 21—Sa.—1879, 1st practical incandescent lamp produced.
- 22—Su.—1883, N. Y. C. Metropolitan Opera House opened.
- 23—M.—Fire Association Group companies adjust all claims promptly, fairly, cheerfully.
- 24—Tu.—☾ First Quarter, 5:48 P. M., E. S. T.
- 25—W.—1936, Rome-Berlin Axis formed.
- 26—Th.—1875, Virginia City fire—\$7,500,000 loss.
- 27—Fr.—1904, N. Y. C. subway opened to public.
- 28—Sa.—1918, Austria-Hungary accepted peace terms.
- 29—Su.—1929, Wall St.'s. most disastrous trading day.
- 30—M.—1936, strikes tied up all West Coast ports.
- 31—Tu.—☾ Full Moon, 8:35 A. M., E. S. T.

OBSERVATION for October: With the building cost index about 56 points higher today than it was in 1940, you ought to consider buying additional property insurance to bring your coverage in line with present-day replacement prices.

MORAL for October: Your Agent or Broker will know whether or not you need it—see him today!

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FIRE ASSOCIATION GROUP

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Lumbermen's Insurance Company
Philadelphia National Insurance Company
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bill eliminates any question about the labor laws.

Mr. Harrington read a letter that he had received from the Industrial & Ordinary Insurance Agents Council urging opposition to the Walter bill on the ground that it would remove employees of insurance companies from the national labor relations act and the wage and hour law. That letter contended that the white collar class needs the protection of those laws to achieve self organization.

Mr. Moser submitted a specific proposal for handling partial exemption from the anti-trust laws which he included as a new section in the bill that was offered by the stock fire-casualty companies. At the same time he struck out from the fire-casualty draft the provision for complete exemption from the anti-trust laws.

Text of Suggestion

That section sets forth that the provisions of the Sherman and Clayton acts "shall not apply with respect to any reasonable cooperative agreements entered into or any reasonable concerted action had between two or more insurance companies relating to rates, rating methods, commissions, premiums, policy forms or provisions, inspection of risks, payment or settlement of claims for loss, or the making of rules affecting factors entering into the cost of insurance or the character of insurance coverage. Any cooperative agreement or concerted action for any of the purposes above set forth shall be deemed reasonable within the provisions of this act, unless such agreement, or action shall provide for or result in any act of boycotting, intimidation or coercion."

SUGGESTED BILL

The bill suggested by Mr. Williams reads:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled that the Congress hereby declares that the continued regulation by the several states of the business of insurance is in the public interest and that no act of Congress shall be construed to impair or supersede any law enacted by any state for the purpose of regulating such business or imposing fees or taxes for the privilege of doing such business within any state, unless such act specifically so provides and that nothing contained in the act of July 2, 1890, as amended known as the Sherman act or the act of Oct. 15, 1914, known as the Clayton act, or the act of Sept. 28, 1914, known as the federal trade commission act, or the act of June, 1936, as amended known as the Robinson-Patman act shall apply to the business of insurance or to

actions in the conduct of that business or in any wise impair the regulation of that business by the several states; provided, however, that nothing in this act contained shall in any wise affect application to insurance or to the business of insurance of the act of July 25, 1936, as amended known as the National Labor Relations Act or the act of June 15, 1938, as amended known as the Federal Fair Labor Standards Act."

Regulation and Taxation

Chase Smith, Lumbermen's Mutual Casualty, expressed the opinion that in any declaration of principle by Congress the matter of regulation and taxation should be bracketed. It is one and the same thing, he contended. The differences in taxation as between domestic and foreign companies, he said, are based upon a theory that can be defended and do not necessarily constitute an undue burden on interstate commerce. Regulation and taxation, he said, are "monkeys of the same tribe."

HARRINGTON'S VIEW

Mr. Harrington stated that if the industry and the commissioners are substantially agreed on the first, second and third points in the St. Louis declaration the entire program should not be permitted to fail because of a difference on the fourth point which is the anti-trust law. So far as possible there should be a program that can be agreed upon and then it may be necessary for various elements to go their individual ways.

Some now believe that the industry and the commissioners may go to Washington with a unified program for exemption from the Federal Trade Commission and Robinson-Patman acts and possibly for a declaration of principle but that the fire companies will continue to fight for outright exemption from the anti-trust laws.

Views of Charles L. Phillips

Charles L. Phillips, vice-president of U. S. F. & G., stated that he detected at the meeting an apologetic state of mind which he said is not wholesome. He said the attitude seems to be to find some way to justify the insurance business in the past and state supervision in the future. He stated that the insurance commissioners have been shorn of most of their powers and they want those powers back. The Supreme Court took the powers away from the commissioners, he stated. The only way to get them back is from the Supreme Court or through a constitutional amendment. If the commissioners say that their powers are inadequate and they have to be supplemented by some measure of federal legislation then he predicted that the day will arrive of all-out federal regulation.

If that day is going to come, he said, why delay it? The business today does not know where to turn. It has to rely in a large measure on assurances of the U. S. attorney general and they can be changed any time. The insurance business and the commissioners, he said, have got to unite on a program. And that, he insisted, should be a constitutional amendment and outright exemption from the four bills under consideration.

As to how such a program will be received, he urged everyone to read the debates on the Walter bill. He said the Senate judiciary committee is overwhelmingly sympathetic with the position of the states and desires to restore the powers to the states. They are resentful of the Supreme Court and they want to undo completely what it has done. "Don't ask for anything less," he exhorted, "than that which will do it right and do it for all time."

L. A. Knight, Modern Woodmen, reported that the National Fraternal Congress at its St. Louis convention reaffirmed its position to the effect that supervision be retained in the states and instructing the executive committee to do everything in its power to bring about that end.

In addition to the six-man committee consisting of Harrington; Johnson, Minnesota; McCormack, Tennessee; Scheufler, Missouri; Dineen, New York, and Graves, Arkansas, a number of other commissioners attended for a part or all of the sessions including Parkinson, Illinois; Allyn, Connecticut; Forbes, Michigan and Gough, New Jersey. J. R. Lange, chief actuary of the Wisconsin department, was on hand, as was T. J. Cullen, New York deputy.

The industry representatives present included: John A. Diemand, president, and Ludwig Lewis, vice-president North America; Floyd Jacobs of Kansas City, representing the American Reciprocal Association; Ernest Palmer, representing the Warner Reciprocal of Chicago; Paul Hardesty, insurance manager U. S. Chamber of Commerce; Henry Meyers and H. L. Ekern, Ekern, Meyers & Matthias, Chicago; Harold R. Gordon, executive secretary Health & Accident Underwriters Conference; Raymond Stebbins of Denver, representing American Association of Insurance General Agents; Alvin S. Keys, Springfield, Ill., National Association of Insurance Agents; E. M. Griggs, Chicago, National Board; Roy L. Davis, Chicago, Association of Casualty & Surety Executives; H. P. Skoglund, North American Life & Casualty, president of H. & A. Conference; Martin Lewis, president Townner Rating Bureau; A. B. Jackson, St. Paul Fire & Marine; Harry H. Fuller and E. J. Savage, Zurich; Orville Davies, General Exchange; Garfield Brown, American Mutual Alliance; F. J. Marryott, Liberty Mutual; H. G. Kemper and Walter Mengelberg, Lumbermen's Mutual Casualty; Harold V. Smith, president Home of New York; H. J. Hagge and Merle Sweitzer, Employers Mutual Liability; Carl N. Jacobs and Joseph Beach, Hardware Mutual Casualty; Joe Sullivan and Charles Goodale, American Mutual Liability; S. W. Carey, Appleton & Cox; Junius Powell, Chubb & Son; Vernon Roth, Surety Association of America; J. S. Galloway, Fidelity & Deposit.

Also: Rollin Clark, Continental Casualty; John M. Thomas, president National Union Fire; E. M. Allen, executive vice-president National Surety; Charles A. Loughlin, Home of New York; J. A. O. Preus, W. A. Alexander & Co., Chicago; Harvey Brock, Bruce Dodson & Co.; John McFall, U. S. F. & G.

Hearing on Cal. Change

SAN FRANCISCO—A hearing has been called by Commissioner Garrison of California at his office here on Oct. 11 to consider the request that the nation-wide definition and interpretation of the insuring powers of marine and transportation underwriters be amended in California to permit the writing of an inland marine form of policy providing multiple perils coverage on merchandise of the assured's customers consisting principally of meats, game, fish, poultry, fruits, vegetables and all property of a similar nature being property of the customer, accepted by the assured for processing, transportation to or from and storage in cold-storage lockers.

Arguments for and against the proposed amendments will be considered. Written arguments may be mailed prior to the hearing.

N. J. Agents Pack Much Into Brief Annual Meeting

(CONTINUED FROM PAGE 7)

and C. J. Unger, Jersey City, was elected secretary-treasurer, succeeding T. S. Brown, Perth Amboy, who had held that post for some years. H. A. Faunce, Atlantic City, was reelected state national director.

Others Elected

Others elected are as follows:

Executive committee—F. Roy Baxter, Phillipsburg; G. J. Borgos, Kearny; J. C. Conklin, Hackensack; G. E. Jamison, Bloomfield; J. Clarence Madara, Camden; A. C. Sinn, Clifton; E. F. Walton, Trenton. Vice-presidents (by counties)—Atlantic, G. H. Steelman, Atlantic City; Bergen, E. P. Kinchley, Little Ferry; Burlington, H. F. Knight, Moorestown; Camden, E. C. Hessert, Jr., Camden; Cape May, Roland Steelman, Ocean City; Cumberland, J. Herbert Fithian, Bridgeton; Essex, S. C. Oberman, Newark; Gloucester, Miss Ada Wilkins, Woodbury; Hudson, I. C. Johnson, Bayonne; Hunterdon, G. R. Parker, Flemington; Mercer, L. M. Schlicher, Trenton; Middlesex, Charles Ohlott, Carteret; Monmouth, A. E. Blake-man, Spring Lake; Morris, G. Kimball Coleman, Chatham; Ocean, Menashe Rabinowitz, Lakewood; Passaic, Fred Hoelscher, Paterson; Salem, O. W. Acton, Salem; Somerset, C. C. Schmelz, Somerville; Sussex, H. E. Watt, Franklin; Union, E. L. Hedenberg, Cranford; Warren, A. B. Craig, Blairstown.

901 MEMBERS

There was an attendance of 251 at the luncheon. The association now numbers 901 members as against 886 a year ago. The aim is to reach the 1,000 mark by the next annual meeting.

In his report as public relations committee chairman, Fred J. Cox, who is a past president of both the New Jersey and the National associations, complimented the New Jersey agents on having contributed so much to the advancement of the insurance business over the years. He recalled that 31 years ago a decision of the New Jersey court of er-

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1794

150TH ANNIVERSARY

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rors and appeals confronted the insurance business with unbridled discrimination and that the association successfully worked for an anti-discrimination law along the lines of the interstate commerce commission act.

More recently, after doing an outstanding job in getting members of Congress lined up in favor of the Bailey-Walter legislation the association foresaw the dangers of an adverse Supreme Court decision in the Southeastern Underwriters Association case and got behind the Barton rate regulation bill. At the same time an agents' qualification law was passed after endless work and in the face of what at times seemed desperate odds.

"Shot Heard 'Round the World"

Mr. Cox compared the qualification law to the "shot heard 'round the world" and said that what the New Jersey association has done has been heard of all over the country. He said there had been some complaints from members about the license fees that had to be paid under the new law but he reminded his hearers that if they wanted to keep out automobile dealers and other non-insurance men as agents there was no alternative. He warned against any sort of tinkering with the law saying that "we have to stand firm and hold what we have got and that means no changes in my humble opinion."

Governor Edge's criticism of the handling of some claims from the recent hurricane where wave and tide damage was an issue gave Mr. Warfield a text for his observations on the value of consultations between companies and producers before making changes.

"If the producers had sat down beforehand with the companies we wouldn't have ambiguities in our policies such as Governor Edge criticized so rightly today," he said.

Pictures Encouraging Future

Mr. Warfield however drew an encouraging picture for the future, saying that the producers, who are such an integral part of the business have finally been taken into partnership.

"We'll have our day in court," he said. "We will not go in after judgment has been made but we'll have a chance to influence the judgment." Mr. Warfield said that if the National association is to have a voice in the affairs of the industry it must speak truly for the agent.

"We have the structure to permit this," he said, "but there perhaps must come a greater degree of paternalism on the part of your National association. You as a state association and my own state association and each of us as individual agents must be willing to forego special privileges if they are in conflict with the broad problems of the industry. Methods prevalent in one section must be amended to come into a compromise for unity with all other sections. Insularity has no place in this picture."

LIAISON COMMITTEE

Mr. Warfield expressed the hope that the National association can go to the companies with frank admissions of any fault on the agents' side of the partnership and offer to settle these problems or take the leadership in settling them themselves. The agents' leadership must come from the state associations but through the National association. He said the recent meeting of the liaison committee of the producers with company executives in New York has proved that the old attitude or concept of authority among the companies is now changing. The ultimate benefit he said will be great to both the companies and agents but above all to the public.

Mr. Warfield said that these steps have even further possibility and that "perhaps we can even hope for the time when companies will turn to their own departments for consultation before changing policies or forms." An understanding of the problems from a claim

department standpoint will avoid much annoyance to the public, who cannot be presumed to have knowledge of the underwriting departments' intent, he pointed out. He criticized on this score the "mysterious disappearance" provision in the new burglary policy saying that it is almost an invitation to the public to "try to get by the claim department if you can— it's O.K. with us." That is certainly not an example of good public relations, he declared.

LEON WATSON

Mr. Watson said he had been asked whether the new broad form dwelling and contents form was going to be adopted in New Jersey and he said the answer was no. He said that when he was consulted about it he was told that the new form was mandatory and that if the agent wanted the broader provisions it contained they had to take the new form in toto. Since then, he said, New England has taken the form on an optional basis.

"If we had been permitted to make it optional in New Jersey the answer might have been different," he said. "But I couldn't wait for the companies to wake up to the fact that they cannot tell an agent that he can't put into a form whatever he wants to when it is not in violation of a rule."

Mr. Watson also mentioned points about the new form which are less liberal than are already in use in New Jersey. For example it allows 15% to be applied to improvements and betterments whereas at present in New Jersey there is no limit. The new form excludes boats and airplanes but while this is reasonable for a yacht there is no reason why small boats should be excluded.

Favors Broad Coverages

At the same time Mr. Watson made it clear that he was entirely in sympathy with the movement toward broad simple coverages at reasonable rates, feeling that the insurance business should be able to sell indemnity against any peril at a price. If he were rewriting the law he said he would make the section covering writing powers read: "This company may be organized to insure against destruction of any physical property, real or personal, against any peril."

As to the rule book changes which will be issued shortly and which apply to all new or renewal business that becomes effective on or after Jan. 2, 1945, he said that there would be no general reduction in rates and that if it was within his power the course will be to remedy inequities that exist before making broad general reductions. If, after the inequities are straightened out, there appears to be justification for a broad general reduction the agents should not object unduly even though it may seem hard to take, he said, for the public must come first.

Can Still Sell Dwelling Policy

Because of the new standard policy law there has been some question, Mr. Watson said, whether what is commonly referred to as the New Jersey dwelling house policy could still be sold. He pointed out that actually this is not a special policy but a combination of the dwelling house form and the regular policy printed together as one document because of the widespread use of this combination. He said that although it will involve some slight changes in format in the new standard policy the state rating bureau has agreed that it will conform with the standard policy requirements. He said he believed the companies will file with the New Jersey department a statement that they will interpret existing policies as if covered by the new standard policy, at the insured's option, and thus save the agents much cancelling and rewriting. When writing for a supply of the new forms he asked the agent to be content with enough for a couple of months requirements. Because of the paper shortage

it was impossible for the printers to supply enough for everyone's customary requirements.

On behalf of the membership, G. E. Jamison, of Bloomfield, presented to Mr. Walton, the retiring president, a fine wrist-watch. The William J. Wilson memorial cup given annually by the Atlantic County Association to the local or county board rendering the most outstanding service of the year to the American agency system in New Jersey went to Union County. In recognition of the fine work done by Mr. Cox as chairman of the public relations committee and Mr. Frankenbach as chairman of the qualification committee the Essex County Association, through W. A. Schaefer of Newark, presented each of them with an embossed testimonial scroll.

Call Cal. Legislative Conference

SAN FRANCISCO—First of a series of pre-legislative conferences will be held in the offices of the insurance department here Oct. 10. In line with the declared policy of Governor Warren, as previously announced by Commissioner Garrison, the department will limit its sponsorship of proposed legislation to

matters directly affecting the administration of the department or which are regarded as necessary in the public interest. However, the commissioner feels it is a function of his department to assist in discussion of all legislative proposals affecting insurance and requests that all such privately sponsored proposals should be submitted to the conferences for open discussion. In this way, he says, the attitude of the department and persons affected toward specific proposals may be determined, and conflicting views reconciled or reduced to fundamentals, in advance of legislative committee hearings.

Fairfield Leaves James & Co.

David W. Fairfield, assistant manager of the life department of Fred S. James & Co., Chicago, is resigning to join the John O. Todd general agency of Northwestern Mutual Life in that city as a special agent. He is a former bond man of Chicago who later for eight years was connected with Connecticut General Life there before joining James & Co. two years ago.


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EDITORIAL COMMENT

Attack on Scheufler Unfair

The St. Louis "Post-Dispatch" is one of the very few newspapers in the country that has taken a position on the insurance issue of the hour savagely antagonistic to insurance. The "Post-Dispatch" has a traditional anti-insurance bias. In its Sept. 28 edition the "Post-Dispatch" leveled its guns at Superintendent Scheufler of Missouri who is a member of the commissioners' committee to study federal legislation. Because of his activity in this matter, the "Post-Dispatch" charges that he is engaged in a "campaign of fronting for the powerful insurance interests that want Congress to grant them immunity from the anti-trust laws."

"Scheufler's performance embarrasses the attorney general," the "Post-Dispatch" states, "who has fought long and hard for real regulation. It embarrasses Governor Donnell, who refused to join 30 other state executives in lobbying for the special-privilege bill now in Congress. More than that, his performance disgraces Missouri, which has good reason to fear the machinations of insurance interests."

This type of attack is conspicuous because the overwhelming body of editorial comment is adverse to the Su-

preme Court decision in the S.E.U.A. case and favors the Walter bill to exempt insurance from the federal anti-trust laws.

The "Post-Dispatch" rides rough shod over the field, ignoring the many complicated questions involved and electing to stigmatize a man who has been earnestly seeking to arrive at a constructive solution. It neglected, for instance, to point out that the committee of which Mr. Scheufler is a member has up to this point declined to endorse the complete exemption from the anti-trust laws that the Walter bill provides but instead incorporated in its statement of policy exemption from the anti-trust laws of reasonable cooperation in rate making, etc., and the "Post-Dispatch" neglected to point out that the arch foe of the Walter bill, Senator O'Mahoney of Wyoming, has always said that because of the nature of the business insurance companies must be permitted to engage in concert of action up to a certain point.

We have no desire to inject ourselves into Missouri politics but this brutal and unfair treatment of Mr. Scheufler, with whose works we are familiar, impels us to speak out.

Happy Days! No More Fire Losses

We have all heard the stock "no loss" arguments for state and city self-insurance funds but it is difficult to follow the logic used by G. T. Hyde, chairman of Utah's finance commission, in proposing that his state adopt such a program. "For several years the state had made money by placing insurance with private companies, due to several fires that have occurred," but, he adds hopefully, "it is very unlikely that these fires will continue for an indefinite time."

Maybe Mr. Hyde has been pondering over that one about deciding when the war will end by counting the letters in the names of Stalin, Roosevelt, etc. For example, there are four letters in Utah, U being the 21st letter in the alphabet and T the 20th. Add 4, 21, and 20 which gives us 45. Then as A is the first and H the eighth letter we get 1-8-45—or no more fire losses after Jan. 8, 1945. Figure it out for yourself, Mr. Hyde. It's simple as A, B, C.

Dealing with Amateur Agents

An incident which recently came to light shows the importance to the insured of dealing not only with an institution of ample financial backing but with a thoroughly responsible professional agent or broker.

A man employed by a gas company in a middle western city decided to reinstate his lapsed hospitalization insurance which was in the local hospital association plan. The plan's representative, who was a fellow employee at the gas company, said he would put through the reinstatement and about a week later told the man that he was covered. A

little less than a year later this employee became a father and since the baby's birth occurred well beyond the hospital plan's waiting period for maternity coverage, he confidently expected that all the hospital bills would be taken care of. To his disgust he learned that the representative had unintentionally misinformed him about the effective date of his reinstatement and that actually he had not been reinstated until a couple of months later when a new "group" had accumulated.

The hospital association stood pat on its rules. Its representative at the gas



"MY HUSBAND DOESN'T WANT TO MEET ANY OF HIS FORMER CARLOAD OF RIDERS SINCE HIS AUTO ACCIDENT. HE DIDN'T HAVE MEDICAL PAYMENTS COVERAGE."

company was just a public spirited citizen who was doing the hospital plan's work as an accommodation and could hardly be expected to know too much about all the technical ins and outs. The employee with the new baby was out on a limb. It would certainly not have got him anywhere to cause any trouble with his employer, who had set up the plan, though of course on a contributory basis, or with the fellow-worker who made the error. Neither was he in a position to bring legal action against the hospital association plan

on the ground that its official representative had misled him as to his coverage.

Many policyholders of regular insurance companies are insured for hospitalization in their local hospital association plans. As a bit of missionary work and to save their clients from possible unexpected financial loss, the professional agents might do well to warn their clients to watch their step in dealing with amateur agents and to get something in writing from the insurer so as to know just where they will stand in the event of a claim.

PERSONAL SIDE OF THE BUSINESS

Robert R. Mallard, vice-president of Fred S. James & Co. in Seattle, shot a hole-in-one at the Broadmoor Golf Club course last week. He scored the ace on the 145-yard 10th hole while playing with H. M. Gould, Jr., of the Gould & Gould general agency; A. O. Stuber, northwest manager of Massachusetts Bonding, and Drayton Howe, Seattle attorney. To complete the afternoon's thrill, Mr. Mallard proceeded to shoot a birdie on the 11th.

Fred F. Fox, secretary of the Oklahoma Association of Insurance Agents, who underwent an emergency appendectomy in Oklahoma City last week, is reported recovering satisfactorily.

Mrs. J. W. Henry, Sr., of Pittsburgh announces the engagement of her

daughter, Frances Henry, to Lieut. Hershel Farish, U. S. N. R. Miss Henry has been conducting the J. W. Henry agency of Pittsburgh in the absence of her brother, J. W. Henry, Jr., who is a captain in the army. Lieut. Farish in private life operates H. L. Farish & Co., Oklahoma City general agency. Lieut. Farish and Miss Henry first became acquainted at the joint meetings of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents at White Sulphur Springs.

Mrs. Buckman of Wilmette, Ill., wife of Royal A. Buckman of the Royal-Liverpool groups in Chicago, is recuperating at St. Francis Hospital in Evans-

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ton from a severe operation. Mrs. Buckman has attended the annual convention of the Illinois Fire Underwriters Association each year for the past 35 years.

E. W. Elwell, U. S. manager of Royal Exchange, has returned to New York after visiting various Texas cities. En route home he stopped for a few days in Chicago to confer with Manager Freeman Read.

A. F. Wilson, southeast Kansas state agent of Springfield F. & M., has returned to Topeka from the Mayo Clinic but will not be able to return to his field for some time yet. He has been in poor health for more than three months.

William B. Winchell, secretary North British & Mercantile, has returned to New York after a trip throughout the middle west.

DEATHS

Thomas J. Hall, who since 1937 had operated an agency in Chicago and had been in the business there since he was 16 years old, or about 47 years, died. His daughter, Lillyann, is carrying on the agency. She has worked with her father ever since he opened his agency when he retired as a partner in Oxnam, Goodman & Hall.

Mr. Hall was an annunciator in the Marshall Field & Co. retail store in Chicago when Frank F. Holmes, Chi-



THOMAS J. HALL

cago agent, went looking there for a good "tough" office boy. The deal was consummated. Later Mr. Hall joined A. D. Kennedy & Co., and subsequently was connected with Frank A. Early, Klee, Rogers & Cory, and then the Montgomery & Funkhouser organization. There the later partners, W. C. Oxnam, W. A. Goodman and Mr. Hall, met and they formed their firm in 1920 out of that office after George W. Montgomery died.

John A. McGee, 76, died at his home in St. Joseph, Mo. Last summer Mr. McGee completed his 50th year in insurance. He had represented Firemen's of Newark and U. S. F. & G. continuously for more than 45 years.

Wayland B. Campbell, manager of the engineering and service department of R. B. Jones & Sons agency, Kansas City, died after an 18-month illness. Before joining the Jones agency in 1920, he was chief rater for the Kansas Inspection Bureau 16 years.

He is a brother of Howard Campbell, manager of the special service department of Kansas City Fire & Marine and special agent for Hartford Fire. Another brother, James W. Campbell, is western representative of John G. Simmons Co., in charge of oil insurance operations in the midwest territory, with offices in Tulsa.

James E. Caldwell, 90, who had headed his own agency in Nashville for nearly 50 years and rated as one of the ablest financiers in the south, died from the infirmities of age. He continued operating his agency after giving up active financial interests.

J. A. Phillips, secretary of the Alfred Paul & Son general agency at Wheel-

ing, W. Va., died at Bluefield after an illness of a year. He had been with the firm since 1921. Most of that time he was southern representative of the firm, acting as secretary and special agent, with offices in Charleston, W. Va.

Arthur H. Wilson, 71, adjuster for W. H. Brewster & Co. of Boston, died at his home in Weymouth, Mass. He started with Granite State Fire in Portsmouth, N. H., then became special agent of Continental in West Virginia and in 1910 was special agent of Farmers of York for New England. Some 10 years ago he became an independent adjuster.

J. Frank Hoyer, 39, Findlay, O., local agent, died in Columbus after a long illness.

Edward Pomainville, 62, who established his own agency in Wisconsin Rapids, Wis., in 1908, and two years ago became associated with the Gilman M. Coombs agency, died there.

Mrs. Bessie A. Harris, with the Tennessee department for 20 years and for several years cashier, died after a long illness. She was at one time secretary to the commissioner.

John H. Griffin, 80, for many years president and since 1941 chairman of Northwestern Fire & Marine, died in Minneapolis. He was also vice-president of Twin City Fire.

Mr. Griffin was a native of New York but his entire insurance career had been in Minnesota. He located first at Rochester, later moving to Albert Lea, where he helped found Consolidated Fire & Marine, which later was moved to Minneapolis and merged with Northwestern Fire & Marine.

Mr. Griffin was elected president and served until failing health several years ago compelled him to drop some of his executive responsibilities. He was made chairman of the board but had not been active the last year or two.

Roy Minter, inspector of Mutual Assurance of Richmond, died there. He had been with the company 40 years.

John McGregor, assistant manager of the Underwriters Salvage Company of Chicago, has been notified that his son, **Lt. John M. McGregor**, was killed in action in France Aug. 2. Lt. McGregor was a Marauder pilot in the army air forces. He was a West Point graduate.

Eugene I. Walsworth, 78, local agent at Bayard, Neb., since 1916, died there.

IN U. S. WAR SERVICE

Lt. Allen H. Harris, formerly an underwriter in the Pacific department of Agricultural and Empire State, recently was made commanding officer of all PT squadrons in action along both sides of the English channel. Lt. Harris served in the Panama Canal Zone and then in the Guadalcanal area where he commanded a squadron. **Lt. G. D. Huntington**, formerly of the accounting department of Agricultural, is now executive officer of the destroyer escort John C. Butler. He was decorated a year ago for service as gunnery officer on the lead destroyer of a small group that drove off a superior Japanese fleet in its attempt to reinforce Attu and Kiska.

H. V. Godbold, Jr., vice-president of the H. V. Godbold Company agency of Richmond, which is headed by his father, is now a technical sergeant with the 189th ordnance company, fifth army, in Italy.

Maj. Eric C. Gambrell, past president of the Texas association and also of the Dallas Association of Insurance Agents and member of the firm of Seay & Hull, Dallas, local agents, has been assigned to Denver as readjustment officer for the Denver area of the readjustment division, air technical service command.

Rorick Cravens of Cravens, Dargan & Co., Houston, is expected home shortly after more than two years' service as an air force personnel officer.

Earle C. Patrick, who was formerly with T. A. Manning & Sons, Dallas, has

Convention Dates

Oct. 4-6, Ontario agents, Toronto, Royal York Hotel.

Oct. 5-6, Insurance Accountants Association, New York City, Hotel New Yorker.

Oct. 6, Missouri agents, Jefferson City, Missouri Hotel.

Oct. 8-12, National Association of Insurance Agents, Milwaukee, Hotel Schroeder.

Oct. 9, New Mexico agents, Albuquerque.

Oct. 9, Wisconsin agents, Milwaukee, Hotel Schroeder.

Oct. 16-18, National Association of Mutual Insurance Agents, New York, Hotel New Yorker.

Oct. 18, Maine agents, Poland Spring, Mansion House.

Oct. 18-19, Kansas agents, Wichita, Broadview Hotel.

Oct. 19, American Institute of Marine Underwriters, New York City, 99 John street.

Oct. 23, Rhode Island agents, Providence, Crown Hotel.

Oct. 23-24, Ohio Association of Insurance Agents, Columbus, Neil House.

Oct. 26, Arizona agents, Tucson, Pioneer Hotel.

Oct. 26, New Hampshire agents, Manchester, Carpenter Hotel.

Oct. 26-27, Colorado agents, Colorado Springs, Broadmoor Hotel.

Oct. 31, California agents, Los Angeles, Biltmore Hotel.

Oct. 31-Nov. 1, Massachusetts Agents, Worcester, Hotel Bancroft.

Oct. 31-Nov. 1, Indiana Agents, Indianapolis, Claypool Hotel.

Oct. 31-Nov. 2, National Association of Mutual Insurance Companies, Chicago, Drake Hotel.

Nov. 3, Southeastern Underwriters Association, mid-year meeting, Pinehurst, N. C., Carolina Hotel.

Nov. 8-10, Iowa agents, Des Moines, Hotel Fort Des Moines.

Nov. 9, Connecticut Agents, New Haven.

Nov. 9-10, Illinois agents, Rockford, Faust Hotel.

Nov. 16, Maryland agents, Baltimore, Belvidere Hotel.

Nov. 20, New York Insurance Federation, New York City, Hotel Astor.

Dec. 4-6, National Association of Insurance Commissioners, New York City, Commodore Hotel.

Jan. 24-26, National Association of Accident & Health Underwriters, Omaha, Hotel Paxton.

Feb. 5-7, Health & Accident Underwriters Conference, mid-year meeting, Chicago, Drake Hotel.

Feb. 7-8, Insurance Economics Society Annual Meeting, Chicago, Drake Hotel.

been commissioned a second lieutenant in the army transportation corps. He is stationed in New Orleans as an instructor in the transportation corps.

Lt. Col. William J. Blythe, San Antonio, local agent, is now with the airborne command, recently stationed in southern France.

J. F. Murphy, Oklahoma manager for Central Surety, finished in the first five of his class at quartermaster's school at the Farragut naval base, Farragut, Ida. He is now recovering from an operation made necessary by a knee injury.

H. Joseph Wilson, who was manager at Indianapolis for Massachusetts Bonding before being called for army service about six months ago, has now been commissioned a second lieutenant in the administrative division of the army medical corps. He has been sent to St. Louis for further assignment.

Joe T. Holman, Jr., formerly associated with his father in a Springfield, Tenn., local agency, has been reported missing in action and is believed to have been taken prisoner by the Germans in France.

Lt. S. F. Procopio, chief of the navy department insurance division, office of procurement and material, Washington, has been promoted to lieutenant commander in the USNR. Lt. Comdr. Procopio has served as chief of the division since Dec. 1, 1943, and has been on duty in the division since June, 1942. Prior to entering naval service he was associated with the Employers' group in New York City.

THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



The Phoenix

Insurance Company, Hartford, Conn.
1854

The Connecticut

The Insurance Co. Hartford, Conn.
1850

Equitable

Fire & Marine Insurance Company
Providence, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
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Vt. Agents Told State Laws Must Be Strengthened

**Commissioner Carroll of
Rhode Island Gives Chief
Address; Officers Reelected**

BURLINGTON, VT.—If state supervision is to maintain its position, then state laws must be strengthened, Commissioner Carroll of Rhode Island said in his talk at the annual convention of the Vermont Association of Insurance Agents here.



A. W. Hawkinson

All attacks on state supervision, he said, are based principally on the inadequacy of existing state laws. He gave an excellent argument for better agent's qualification legislation.

Officers of the association were unanimously reelected at a short business meeting. They are: Arthur W. Hawkinson, St. Johnsbury, president; J. J. Willis, St. Albans, vice-president; Edward S. Pike, Rutland, secretary-treasurer; Howard A. Allen, Burlington, state national director. Preston H. Hadley, Bellows Falls, was reelected chairman of the executive committee and three members of his committee were reelected to serve with him. Three new committee members, Leon Hopkins, Lyndonville; E. A. Des Rosiers, Jeffersonville, and Reed LeBourveau, Montpelier, were elected. Carry over members are George W. Buck, Bennington; Richard Hubbard, Middlebury, and Charles G. Taylor, Bradford.

Talks by Hutchins, Clarke

William J. Hutchins, state agent of America Fore, conducted a discussion of the new dwelling form at the afternoon session. This was followed by a talk on extended coverage by Arthur H. Clarke, secretary of the Massachusetts association, and an address by Allan G. Stevens, president of Great Eastern Fire.

Governor W. H. Wills, former president of the association, answered a rhetorical question by Mr. Carroll as to who is interested in the future of the insurance business by comparing the two philosophies of American government today, a centralized government, and a government of the people. State control of insurance has long been accepted and the control necessary varies with the state and parties concerned, he remarked. Insurance is one of the few businesses not yet molested by federal regulations. If federal legislation is substituted for state legislation it will be far less perfect, the governor warned.

Hawkinson's Address

President Hawkinson said the Vermont association had as much to do with the new dwelling form sponsored by the Insurance Executives Association as anyone. The most radical changes embodied in it were proposed by delegates of the association to the New England Advisory Board at least two years ago, he said. The Vermont agents have worked constantly to get their ideas adopted.

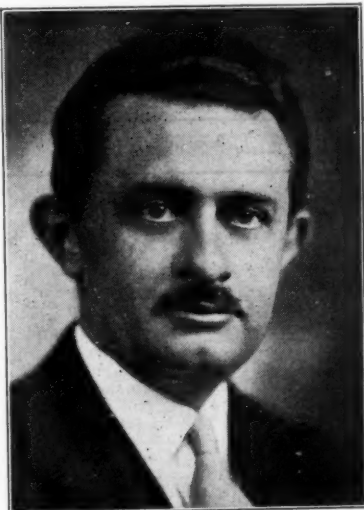
The greatest danger confronting

(CONTINUED ON PAGE 32)

Purmort Heads American Institute

**Twelve Receive C.P.C.U.
Designation—Over 120
Take Examinations**

NEW YORK—At their annual meeting here trustees of the American Institute for Property & Liability Underwriters elected L. G. Purmort president and Arthur Goerlich, secretary. Mr. Purmort is president of Central



L. G. PURMORT

Manufacturers Mutual and has been the secretary of the institute. He succeeds John A. North, vice-president of Phoenix of Hartford, who served as president for two years. Mr. Goerlich is educational director of the Insurance Society of New York and has been on the institute's executive committee.

Thomas W. Sweeney was named a trustee to succeed the late Julian Lucas. Mr. Sweeney is vice-president of H. Mosenthal & Son and is a director of the Insurance Brokers' Association of New York. He is a past president of both the Insurance Federation of New York and the New York State Junior Chamber of Commerce. All other trustees and officers were reelected.

The Chartered Property & Casualty Underwriters designation was awarded to 12 persons who successfully fulfilled the institute's requirements this year, compared to six last year. Those receiving the award are:

Robert B. Ayes, Chicago; Walter W. Bennett, Los Angeles; James R. Dalziel, Placerville, Cal.; Manuel H. Donchin, Chicago; Leslie J. Flora, automobile underwriter Lumbermen's Mutual Casualty; Myron E. Herzog, Engelhard & Co., Chicago; David Shuler Jamieson, Covington, Tenn.; Edward H. Kingsbury, superintendent of bond production metropolitan office of Fidelity & Casualty, St. Albans, N. Y.; Robert I. McWilliams, Los Angeles claim adjuster; William C. Smith, Jr., Wilmington, Del.; Elmer L. Werner, president Insurers Service Corporation, St. Louis; Samuel J. Williams, Jr., assistant manager Maryland Casualty, Newark.

A total of 120 persons took 263 examinations, compared with 90 persons who took 206 examinations in 1943.

The ratio of examinations receiving passing grades improved slightly compared with last year, 162 examination papers or 65.4% being passed; 64.6% passed in 1943.

Fifteen persons, the same number as last year, attempted all five examinations, but only three succeeded in their attempt. The remaining nine persons who this year completed the series of five examinations had passed one or

(CONTINUED ON PAGE 33)

Propose Uniform Second Injury Act

**Draft Bill Prepared in
Washington to Be Sub-
mitted to the Various States**

WASHINGTON—A second injury fund draft bill has been approved by the various federal agencies concerned and will be submitted through the council of state governments to the state legislatures for consideration and enactment into a proposed uniform state law. The War Manpower Commission originally suggested such a bill.

The draft will be submitted by the Department of Justice section of federal-state relations, together with an interpretative statement, on which government agency representatives are working, setting forth the problem and the solution proposed.

The draft is described by Carl Wheaton of WMC as "narrow," somewhat similar to the Maine state law on the subject. The proposed bill is reported backed by the International Association of Industrial Accident Boards & Commissions, which includes officials of many states handling workmen's compensation and industrial accident matters, together with representatives of Canada and of the U. S. Department of Labor.

Casualty Executives' Bill

A group in the Association of Casualty & Surety Executives some time ago proposed a second injury fund bill for consideration by the states, which formed the basis for discussion of the subject by an interdepartmental committee here, of which Mr. Wheaton is a member. Certain government representatives suggested liberalization of the association draft. The committee's deliberations, however, resulted in a "narrow" bill.

The draft reported approved by the committee follows:

"If an employee who has previously lost, or lost the use of, one hand, one arm, one foot, one leg or one eye becomes permanently and totally incapacitated through the loss, or loss of use, of another member or organ, the employer shall be liable only for the compensation payable for such second injury.

"Provided, however, that in addition to such compensation and after the completion of payments therefor, the employee shall be paid the remainder of the compensation that would be due for permanent, total incapacity, out of a special fund known as the 'second-injury fund', and created for such purpose in the following manner:

"In every case of the death of an employee under this act, where there is no person entitled to compensation, the employer shall pay to the industrial accident commission the sum of \$500, to be deposited with the treasurer of the state, for the benefit of said fund, and the commission shall direct the distribution thereof."

Show Methods of Raising Fund

In connection with the draft bill, it is understood there will be submitted to the council of state governments data showing other possible methods of raising a second injury fund, as followed in various states.

These methods include setting aside certain percentages of compensation losses or of insurance premiums. In Wisconsin provision is made for certain payments in cases of partial impairment of use of a member or organ, in connection with a second-injury fund. In Minnesota \$300 is paid in any dependency case, also 2% of total compensation for certain permanent partial disabilities.

State Regulation, Taxes Safe, Life Group Is Told

**A.L.C. Has Enthralling
Session on Big Issue—
Lincoln Tells Story**

A dispassionate examination of the possible impact upon life insurance operations and state regulation and taxation of the S. E. U. A. Supreme Court decision and an enthralling story told by President Leroy A. Lincoln of Metropolitan Life in his casual way of the legislative struggle generated by that decision held the members of the American Life Convention, at the opening session Tuesday afternoon of their annual meeting at the Edgewater Beach Hotel, Chicago, glued to their seats, until 6 p. m.

That session followed immediately upon four days of deliberations on the same subject at the same hotel by the commissioners committee on federal legislation and a number of the commissioners were in the audience, including Harrington of Massachusetts, chairman of the committee, who was called upon to comment at the end; Allyn of Connecticut, Crabbe of Ohio; White, Mississippi; T. J. Cullen, New York; Viehmann, Indiana.

The legal speakers expressed confidence that the great body of state taxation and regulation will withstand any challenge based upon the commerce case decision.

Mr. Lincoln, in part, repeated what he had told the Harrington committee Sunday afternoon. He traced the development of the conflict between the fire insurance group on the one hand and the life insurance interests on the other and he criticized the fire people for allegedly repeating one argument again and again and offering nothing new for the consideration of the commissioners.

Decided to Remain Mum

At the Life Presidents meeting last year, Mr. Lincoln said, it was informally suggested that the association take a position on the Walter bill to exempt insurance from the anti-trust laws, but the decision was to remain mum. At the meeting of the commissioners committee on federal legislation in New York Aug. 5, the life groups submitted, upon invitation, an explicit memorandum, stating that there are no practices in the life field that violate the Sherman or Clayton acts, and declaring that the federal trade commission act provides an opening for federal intervention that could lead to some kind of supervision, and insurance should be put beyond the reach of FTC. Banks and railroads were exempted when the law was enacted and insurance was not exempted at that time because it was the theory that under Paul vs. Virginia insurance was not commerce.

Former Position Restated

At the commissioner committee meeting in Chicago Aug. 17, Mr. Lincoln said, the life committees repeated what they had said in New York. E. L. Williams, president of the Insurance Executives Association, he declared, has taken the adamant position that the fire insurance companies cannot live under anything less than complete exemption from the anti-trust laws.

The life insurance people, he declared, felt that it was not for the best in-

terest of the business to subject the institution to the public reaction that might be precipitated by a request to have insurance be declared to be the one business in the land to be exempt from anti-trust. At Chicago Aug. 17, a meeting developed the first night among the life and fire-casualty groups and the fire people, he declared "kept saying the same thing over and over again." That session broke up at midnight. It was reported to the commissioners that no agreement was possible.

Commissioner Garrison of California that morning, Mr. Lincoln said, made the "interesting" statement that he felt something should be accomplished forthwith and that Senator O'Mahoney of Wyoming, leading foe of the Walter bill, should be approached. Mr. Lincoln said he agreed with him. Mr. Lincoln recalled that he has known O'Mahoney since the TNEC days.

By coincidence upon his return to New York Mr. Lincoln got a call from Senator Radcliffe of Maryland saying that O'Mahoney would like to see Mr. Lincoln. That meeting was held Aug. 30 and it so happened that the same day Mr. Lincoln received a copy of the bill that Garrison is promoting to meet the situation. The Garrison bill, he said, conformed to the principles that Mr. Lincoln and O'Mahoney had been discussing. After some discussion O'Mahoney agreed to accept the principle that a cooperative rating procedure would be exempt from anti-trust if it met the requirements of any one state in the country. Previously he had insisted that it meet the requirements of every state.

O'MAHONEY GIVES NOD

The next day the commissioners executive committee went into session at St. Louis and, according to Mr. Lincoln, produced a "statesmanlike document." O'Mahoney subsequently gave out a statement saying that he would go along with the St. Louis declaration.

Mr. Lincoln expressed regret that any amendments to the Walter bill must now be made on the floor of the Senate. He said that is not the place to take up such complicated matters. He expressed the hope that the commissioners will go to Washington with a draft bill.

Last week, Mr. Lincoln said, the fire-casualty group asked for a conference with him and it was held. They then were espousing a constitutional amendment. Mr. Lincoln said he took the position that if a constitutional amendment could be properly drawn it would be unobjectionable but he said he knew of no one in the country competent to draft such an amendment. He said he shared the views of the casualty and fire group that such an amendment had a good chance of passage.

Debate With E. C. Stone

On Sunday the life group appeared again before the commissioners in Chicago. For the two previous days, he said, they had been in session and had been "hearing the same old stuff from the fire insurance people." He recalled that he had been charged with inconsistency in his position by E. C. Stone, president of Employers Liability, but Mr. Lincoln said he had difficulty in getting through Mr. Stone's head the fact that the whole situation was changed the moment insurance was declared to be commerce and that it is entirely a different thing "for us to be asking for all-out exemption from the anti-trust laws."

The question of a constitutional amendment is strictly academic at the moment, Mr. Lincoln declared. No such amendment has been drafted and it has not been endorsed by the commissioners.

Mr. Lincoln declared that at the meeting of the drafting committee Monday afternoon the question was raised that even if insurance were exempted from the federal trade commission act, it might be brought under that act because under the Clayton act FTC is made the policing agency in respect of acquisition of stock of one company by an-

other and in connection with interlocking directorates. Hence some additional exemption may be needed there.

Walter Bill Inadequate

The insurance commissioners, he said, have been "excessively patient because they listened over and over and over to the same thing from the fire insurance people."

The Walter bill, Mr. Lincoln said, doesn't do anything for the insurance business as a whole. He expressed the belief that President Roosevelt would not sign it. He said there has been no divergence in view between the life insurance people and the commissioners.

The earlier part of the program was presided over by Berkeley Cox, associate general counsel of Aetna Life, as chairman of the A. L. C. Legal Section. A profound impression was created by this presentation. George E. Walton, title attorney of Metropolitan Life, gave a particularly learned paper on the effect of the S. E. U. A. decision on state taxation and regulation, his conclusion being that both taxation and regulation in general have an excellent chance of being completely unaffected, particularly if care is taken in the handling of any litigation that may arise.

Other aspects were treated by Powell B. McHaney of General American Life and Robert Dechert of Penn Mutual.

Mr. Cox reported that a life insurance subcommittee headed by Lewis Dawson of Mutual Life is engaged in studying the validity of state tax laws in view of the commerce case decisions, Professors Dowling and Patterson of Columbia University have been retained to assist the committee. The companies are not seeking to escape taxation. They are continuing to pay state taxes without protest. If the study concludes that the taxes are still valid, the company executives will be pleased; if the study finds otherwise, an opportunity will be given to state legislatures in 1945 to enact remedial legislation.

Inter Company Practices

Another subcommittee is surveying all known life insurance inter company practices and agreements to suggest whether any question might be raised against them under the anti-trust laws. The full committee believes that these practices are not affected but desires to make doubly sure.

PILOTAGE CASE

Mr. Cox referred to the fact that in 1789 Congress passed a law saying that existing and future state laws governing pilotage shall be valid unless and until Congress legislates in the field. The Supreme Court in *Cooley vs. Board of Wardens*, 12 Howard 299, held that this provision was not repugnant to the commerce clause of the constitution, despite the fact it was a regulation of interstate commerce.

Paper by Walton

Mr. Walton voiced the belief that at the most the Supreme Court has added the tests required by the commerce clause to the other constitutional limitations on taxation and regulation. The decision has had no effect generally upon taxation and regulation. There may be state laws that may be held unconstitutional as discriminatory but they might equally have been outlawed under the equal protection clause of the constitution. There may be some borderline legislation that may be doubtful as a result of the decision.

The old test, he said, as to the validity of state taxation and regulation of interstate commerce was whether the burden imposed on the commerce clause was direct or indirect. The court is governed today, however, by practical rather than logical distinctions.

In the S. E. U. A. case, he said, the court, as to the commerce clause, asked only whether fire insurance transactions which stretch across state lines constitute interstate commerce so as to, subject them to regulation by Congress.

He expressed the opinion that existing state taxation could be effectively chal-

lenged as offensive to the commerce clause only if it discriminates against interstate commerce as such or it creates the probability of a cumulative burden through taxation by more than one state.

National Interest in Regulation

Existing state regulation could be challenged successfully only if there is shown to be a national interest in regulation by a single authority which is substantially impaired by such regulation or if such regulation materially affects the free flow of commerce.

"He who would challenge existing state taxation and regulation," he said, "as offensive to the commerce clause alone has indeed a difficult task. Among other things he must overcome the predilection of the court to sustain constitutionality of state tax and regulatory laws and in the one case accept the burden of proving the tax excessive and in the other establish that existing state regulation constitutes an unreasonable interference with the national interest involved. It does not appear a promising undertaking."

POWELL McHANEY

Mr. McHaney treated the question of the effect of the Sherman, Clayton and FTC acts upon the life insurance business.

Section 1 of the Sherman act, he observed, deals with restraints of trade and section 2 with monopolies, involving mainly corporate mergers and consolidations. The prohibitions of the law are not precisely stated and it has been up to the courts to furnish the content. Each case has had to stand on its own bottom. The sociological, political, and economic concept of the judge and attorney general affect the decisions.

Mr. McHaney ventured the opinion that any concerted action on the part of insurers with regard to the fixing of premium rates will be declared illegal per se. However, trade associations may collect and disseminate statistical and other data to members, despite the fact that this may tend to produce uniformity in price and trade practice.

Credit Information

Credit information may be disseminated even though it might result in cancellation of contracts. This would save, he suggested the Medical Impairment Bureau of the life companies, because the dissemination confidentially of information about the health of applicant could be compared to credit information. Surety men in the audience were interested in this point, because there has been some doubt expressed as to the position of the Bureau of Contract Information maintained by the surety companies at Washington which among other things passes along information about contractors.

Mr. McHaney suggested that these anti-trust tests be applied to any situation about which there is doubt:

1. Is there any purpose on the part of the association or its members or parties to an agreement to monopolize the particular trade?
2. Is it the intent of the members or parties to affect prices or deprive customers of the advantages of free competition?

Assisting the Members

3. Will the activities of the association merely assist members in conducting their own business more intelligently but in a way not harmful to their competitors or the public?
4. Are the members or parties left free in fact to sell their product at any price and conduct their business as they choose?

5. If the association collects and disseminates information will the information be disseminated to the public? Parenthetically Mr. McHaney said confidential information is not required to be made public when it might prejudice rather than serve the interests of fair competition.

(CONTINUED ON PAGE 34)

U. S. Chamber Social Security Vote Tabulated

WASHINGTON—With one possible exception, it is announced, members of the U. S. Chamber of Commerce, in referendum vote, have approved the basic principles proposed and advocated by the chamber's social security committee, as a definite program on what President Eric Johnston calls the "important and controversial subject" of social security. That exception is whether or not domestic servants should be covered under old-age and survivors insurance.

It was explained that before a proposal submitted to chamber membership becomes a part of chamber policy it must receive a two-thirds vote. A very heavy vote was recorded in the social security referendum, which closed Sept. 26.

The "general policy" statements submitted by the chamber in its social security referendum were adopted by much more than the required two-thirds. Some of the closest votes were recorded on the question of extending old-age and survivors insurance to new groups.

The tabulation of votes, still subject to final check, it was stated, showed members supporting extension of such insurance to employees of non-profit organizations, to federal, state and local government employees, to agricultural workers and to "other employees not now covered."

A preliminary report from the chamber had earlier indicated that the results of voting were in doubt on proposals to cover under old-age and survivors insurance the last two above named groups, as well as domestics. However, that doubt was removed except as to the latter group, as the count proceeded.

The preliminary report also had disclosed the result in doubt on the proposal that public action should be taken to provide protection against non-industrial and non-occupational disabilities and sickness, only if "substantial gaps in coverage" remain after a reasonable time despite "private effort of employers" to provide such protection. However, this doubt was also removed with completion of the count. The chamber proposals covered medical and cash sickness benefits, and unemployment compensation as well as subjects above mentioned. These questions were previously reproduced in THE NATIONAL UNDERWRITER.

Va. Responsibility Act Campaign

RICHMOND, VA.—C. F. Joyner, Jr., motor vehicle commissioner, is conducting an extensive statewide publicity campaign to explain to the public the provisions and requirements of Virginia's new motor vehicle financial responsibility law, effective Jan. 1. The press, radio and many civic organizations are cooperating; billboards are being used extensively, hundreds of leaflets are being distributed to motorists, and Mr. Joyner is making a number of radio and public talks.

Panel Discussion on Liability

Members of the Casualty Insurance Association of Pittsburgh are conducting panel discussion on personal liability at a meeting of the Inter-County Agents Association at Conneaut Lake, Pa., Thursday.

Members of the panel are Fred Miller, Aetna Casualty, president of Pittsburgh association; John Grant, Maryland Casualty; Charles H. Bokman, New Amsterdam; James P. Renshaw, Massachusetts Bonding, and James R. Wilson, Travelers.

Write more A. & H. premiums with the "Pictograph," only \$3.00. The A. & H. Bulletin, 420 E. 4th St., Cincinnati 2, Ohio.

Traffic Death Toll Up 6% in 8 Months But Down in Aug.

In the first eight months 14,430 were killed in traffic accidents, an increase of 6% over the same period a year ago, according to the National Safety Council.

However, the August traffic death toll was 5% under August, 1943, and followed a 4% reduction in July as compared with the previous year. This trend in the vacation season is regarded by safety leaders as encouraging, and the council now believes the 1944 traffic toll may be no greater than the 1943 figure of 23,400.

July travel was contrary to seasonal trends. It dropped 5% from June and was 8% less than July, 1943. However, travel in January and February this year was heavier so that for the first seven months there was a 2% increase in travel as compared with the same period a year ago.

Of 42 states reporting August totals, 22 showed decreases, three reported no change and 17 had increases. For the eight months, 13 reported decreases and 29 had increases. The north central region had the largest increase, 16%. The Pacific region showed virtually no change, while the north Atlantic region showed a decrease of 2%.

For all reporting cities the collective August death total dropped 19% from August, 1943, and there was no appreciable change for the eight months. Most of the increase in deaths thus has been in rural areas.

Mich. Governor Candidate Injects "Comp" Issue

LANSING—E. J. Fry, Democratic candidate for governor of Michigan, has issued a campaign platform as a substitute for that formulated by his party at the state convention. It contains an insurance plank that has aroused those in the business, stating:

"We favor enactment of a workmen's compensation act that will operate for the benefit of all our citizens and not for the benefit of great insurance companies." Ignoring the fact that the 1943 legislature, controlled by Republicans, enacted a broad liberalization of the compensation law, increasing payments and extending benefits to all employees disabled by occupational ailments, the plank further stated that "we believe that all occupational diseases should be made compensable on a par with industrial injuries."

"When it is remembered that Michigan is a large industrial state and that since Pearl Harbor 260,000 American workers have been killed in industry and another 900,000 have been severely injured, many of them in Michigan, the need of a proper law for our state becomes readily apparent. We favor enactment of such a law that will make it financially attractive for those who employ others to adhere to high standards of safety and health."

Court Orders Liquidation of U. S. Liability

United States Liability of Philadelphia has been dissolved by order of the Dauphin county common pleas court and its affairs turned over to Commissioner Neel for liquidation. The order is dated Sept. 27.

Commissioner Neel suspended the company's certificate of authority in July, 1944. The company was incorporated April 12, 1867, and began business with \$20,000 capital. This subsequently was increased to \$100,000 and in 1941 to \$250,000. In recent years there have been several changes in management and control, and its business in the past few years was confined to fidelity and surety bonds, principally bail bonds. Head of the company was Joseph A. Brady.

4,000 Suits Filed Against Keystone Subscribers

In the six weeks prior to Sept. 12, Commissioner Neel of Pennsylvania filed 4,000 suits against subscribers of Keystone Indemnity Exchange, defunct Philadelphia reciprocal. The actions were instituted because the statute of limitations on suits against subscribers expired Sept. 12. The suits terminate more than four years of activity in carrying out a decision of the common pleas court of Dauphin county, which originally ordered the assessment against subscribers of the exchange.

Long in Litigation

The Keystone exchange became insolvent and on May 18, 1933, the insurance commissioner was named liquidator. A report filed December, 1937, showed liabilities of approximately \$500,000 and virtually no assets. Proceedings were instituted to assess subscribers in accordance with their contracts in the exchange, and an assessment of one annual premium for each policy issued and held by the subscriber for any period between April 9, 1929, and May 18, 1933, was ordered by the Dauphin county court and upheld by the state supreme court in 1940.

The court order provided that after collection of assessments all amounts collected over and above the funds necessary to pay claims were to be returned to those assessed on a pro rata basis. Consequently the commissioner has the task of collecting from all "assessables" so that a return can be made to those who voluntarily met their obligation in full and avoid an undue burden on the voluntary payer as against subscribers who ignored the order of the court. It was against the latter subscribers that the 4,000 suits were instituted prior to Sept. 12.

The commissioner has indicated that collections as a result of these suits together with amounts already received from voluntary payments will be sufficient to meet the claims against the dissolved exchange and to return to those assessed the interest charge on assessments and possibly a pro rata amount on the principal. For those on whom one payment of the obligation would be a hardship installment arrangements are being made.

Ill. Studies Retrospective Rating of Auto Fleets

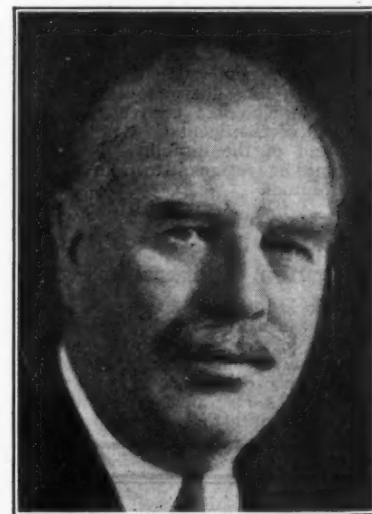
The Illinois insurance department is currently giving attention to the question of whether to approve the use of the retrospective rating principle in connection with automobile fleets. C. M. Kinney held a conference with a number of company representatives in Chicago the other day to discuss the question. The National Bureau of Casualty & Surety Underwriters and one of the independent companies have filed retrospective plans. Mr. Kinney stated that the Illinois department intends to rule on these filings Oct. 10, and he stated that he is not opposed to the principle involved. The companies represented at the conference were American Auto, Motor Vehicle Casualty, Chicago Motor Club, Continental Casualty, National Bureau of Casualty & Surety Underwriters, Indemnity of North America, Lumbermen's Mutual Casualty, General Accident and Employers Liability.

O'Neil in Line for No. 1 Post

At the abbreviated annual meeting of the National Association of Casualty & Surety Agents in Chicago, Oct. 9, it is likely that Lew H. Webb of Chicago who has served as president for two terms will give notice that he desires to step aside. John E. O'Neil of Boston, the vice-president, is in line for the presidency.

Death Takes One of Leading Figures in Casualty Field

Armour Duncan Reid, who died at his home in Glen Ridge, N. J., at the age of 70, was one of the powerful figures in the casualty and surety field until the time of his retirement as president of Globe Indemnity in 1939. Mr. Reid's health had been impaired for the past two years and he had been hospi-



A. DUNCAN REID

talized much of that period. Mr. Reid was a man of commanding physique and was equally commanding in manner. He was hearty, jovial and outspoken in his views. He was always positive and his position was always one to be reckoned with on any matter of the hour in the casualty-surety business.

Qualities of Leadership

Mr. Reid possessed an intimate knowledge of the business and was regarded as a keen underwriter and he also possessed leadership qualities that brought forth the best abilities of the men in his organization. He inspired personal loyalty and loyalty to the organization. He was prompt in voicing criticism and equally prompt in giving a pat on the back where deserved.

Mr. Reid was born at Kingston, Ont., in 1874. He served as inspector of agents in Canada for London Guarantee and subsequently became superintendent of agents for Ocean Accident in that country. Later he was transferred to the U. S. department where for 10 years he served as executive superintendent. In 1911 when Globe Indemnity was organized he went with that company as general manager and secretary, and in 1919 was elected president.

Active in Organization Work

He was the first president of the Association of Casualty & Surety Executives. He was secretary and treasurer of the Liability Insurance Association and served as president of that organization in 1910. He was the first secretary and treasurer of the Workmen's Compensation & Information Bureau. For two years he was president of the International Association of Casualty & Surety Underwriters, 1921 to 1923.

Mr. Reid was one of the founders of the National Bureau of Casualty & Surety Underwriters. He was trustee of the Workmen's Compensation Reinsurance Bureau from the time it was founded in 1912 and served as its chairman from 1929 until his retirement.

When he retired as president of Globe Indemnity on March 31, 1939, the chairman, general manager and several directors and other officials of the head office of Liverpool & London & Globe went from England to New York to give

Conservation Bureau Names New Special Service Director

Thomas N. Boate, chief of the traffic division of the Pennsylvania state police and a national authority on traffic regulations and control, has been appointed director of the special service division of the National Conservation Bureau, accident prevention division of the Association of Casualty & Surety Executives, succeeding John J. Hall.

The announcement of Mr. Boate's appointment was made by Julien H. Harvey, managing director National Conservation Bureau, at the annual breakfast held at the National Safety Congress in Chicago for high school driver education program representatives.

Mr. Boate's major activities with the bureau will include cooperation with federal, state and municipal officials and other agencies for the improvement of traffic safety legislation and its observance; improvement of driver skills through driver education, and the advancement of other safety activities. For a number of years, he was in administrative charge of 1,600 Pennsylvania state police, organizing the personnel division, directing motor vehicle inspections as well as the traffic division. During the war he has administered traffic regulation and control in connection with military movements in Pennsylvania, under the direction of the governor's traffic advisory committee to the War Department.

Insurance Loss Heavy in C. & N. W. Wreck in Iowa

Claims on account of death and personal injury are expected to be heavy and large physical damage was suffered in a collision between a Chicago & Northwestern passenger train and a freight train at a junction point on the outskirts of Missouri Valley, Ia. Nine persons were killed and about 87 were injured. Fred S. James & Co. of Chicago handled the C. & N. W. insurance involved, including wreck damage insurance with marine companies and an excess liability policy with London Lloyds.

Discuss Rehabilitation

Insurance companies are anxious to do their utmost in the rehabilitation and reemployment of injured workers, S. Bruce Black, president of Liberty Mutual, said in a talk at a meeting of Massachusetts business and industrial leaders at Springfield. Employers and insurers have joint responsibility in salvaging human values, W. W. Seymour, vice-president and manager of loss prevention of Liberty Mutual, said.

Other speakers explained the operation of Liberty Mutual's rehabilitation center in Boston, where, through physical, occupational and recreation therapy, men and women injured in industrial accidents are rehabilitated so they can return to their jobs.

Wis. Mutual Assessment Upheld

MADISON, WIS.—A summary judgment ordering the Ramar Baking Co., Abbottsford, Wis., to pay a \$2,181 assessment to Commissioner Duell in the liquidation of the Wisconsin Mutual, has been signed in circuit court here. The baking firm had contended the assessment was invalid because the mutual had not disclosed its insolvency at the time of insuring, and because it was not one of the parties against which similar assessments were upheld by the supreme court.

Mr. Reid a magnificent banquet at the Waldorf-Astoria.

A son, Lionel Reed, is attorney for Globe Indemnity in Newark.

ACCIDENT AND HEALTH

Hampton Returns to Continental Cas.

James A. Hampton rejoined Continental Casualty Oct. 1 to organize and direct a new accident and health division, soon to be announced. For three years he has been vice-president of Empire State Mutual Life, Jamestown, N. Y. in charge of A. & H. operations, but previously he had spent all of his business career with Continental Casualty.



J. A. Hampton

Mr. Hampton pioneered the organization of an accident and health department for Empire State Mutual, which now has an annual A. & H. premium income of more than \$500,000.

Early in his career Mr. Hampton conducted his own Continental Casualty

agency in Boston and subsequently became an agency supervisor of the company in the east. He was transferred to the central west as agency supervisor in 1935. In 1936 he went to New York City as eastern supervisor for three years, covering 14 states. Late in 1939 Continental launched intensive development of its disability division agency operations on the Pacific Coast, chiefly outside of the larger cities in which it already was well represented. Mr. Hampton was selected to handle the campaign. He was so successful in this undertaking that he was called to the home office in December, 1940, as superintendent of agents of the disability division, succeeding J. M. Smith, who had been elected vice-president of Continental. Mr. Hampton was head of the disability division at the time he resigned to join Empire State Mutual.

Pacific Mutual Announces Insurance, Retirement Plan

Pacific Mutual Life has announced an employees insurance and retirement plan, available to all employees with one year or more of service, effective Oct. 1.

The plan provides group life, accident and sickness insurance, hospitalization, surgical benefits and a group annuity

plan. The cost is shared by company and employees. The company will carry the risk through its group department.

The annuity feature provides for retirement at age 65 or from five years before that age, with the consent of the company, on a reduced basis. It also provides for extended disability benefits for those having 10 or more years of service.

The accident and sickness benefits as well as the life insurance are based on classification of salary, with \$10,000 the maximum life insurance that can be carried under the plan.

The minimum of 75% of employees eligible becoming signatories in order to put the plan into effect was exceeded by a wide margin.

Union Mutual Makes Mark in Group Field

Union Mutual Life, which entered the group field earlier this year, is making excellent progress and its premiums during the first year may approach \$1,000,000. It has placed much business in its home state of Maine and has been quite active in the New York area. It is providing group life and all the group casualty covers.

New Medical-Surgical Form

Security Mutual Life, Binghamton, is issuing a strictly medical-surgical indemnity policy. Coverage is provided for payment of doctors' bills plus surgical indemnity for operations incurred as a result of either injury or sickness.

The policy is available to men, women and children. Since compensation losses are not covered, the premium schedule is broken down into a level rate for men,

one for women and one for children. It may be sold alone or combined with hospital insurance.

"Migratory" Association in Va.

Migratory Labor Health Association, a Florida non-stock corporation, has been authorized by the Virginia corporation commission to provide medical, surgical and dental services. R. O. Denham, regional attorney of the U.S. Department of Agriculture, Raleigh, N. C., secured the certificate.

Kemper Speaks in Portland

George W. Kemper, manager of the accident and health department of Fireman's Fund Indemnity at the home office, addressed the Portland (Ore.) Accident & Health Managers' Club illustrating his talk with some timely charts that he had prepared.

Claim Men to Hear Parkinson

Nellis P. Parkinson, acting director of insurance of Illinois, will address the Chicago Claim Association at the opening meeting of the season Tuesday evening, Oct. 10, at Huyler's, 310 South Michigan. His address will cover several phases of insurance problems relating to claim investigations and adjustments on both life and accident and health insurance.

The members of the Chicago Accident & Health Association and the Casualty Adjusters Association of Chicago have been invited to attend.

Agency Management Meeting

The agency management committee of the Health & Accident Underwriters Conference held an all-day meeting at

*Accident, Health,
Casualty,
Fidelity & Surety*



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CASUALTY • FIDELITY • SURETY

POST WAR PLANNING

Read the advice given by THOMAS CARLYLE

"Our main business is not to see what lies dimly at a distance, but to do what lies clearly at hand."

or the warning of an Australian chess master,

"Look around before you look ahead."

Make sure that your accounts are up to date, that your prospect lists are up to date and make sure that all your automobile policyholders carry Medical Reimbursement and that they have completed their personal legal liability protection by selling them NEW AMSTERDAM'S new, very broad COMPREHENSIVE PERSONAL LIABILITY POLICY.

**New Amsterdam
Casualty Company**

BALTIMORE

NEW YORK



Here is a message which gives insurance buyers a definite and vivid picture of how the American Agency System operates to protect their interests. It appears where many of your clients will see it . . . in color . . . in the October 16th issue of *Time*, the weekly news magazine. Aetna Insurance Group, W. Ross McCain, President.

It's a grand feeling to get more than you expect

Our hunter may feel that he is experiencing the thrill that comes once in a lifetime. But on more than one occasion insurance buyers have had valuable new benefits suddenly showered on them.

For instance, when the new Residence and Outside Theft Policy was introduced, its broader benefits were immediately and automatically extended to those who had the old limited Residence Burglary policies.

They did not have to request this change or pay an additional premium. Their local agent or broker took care of the matter for them.

The services of local agents are such

a vital part of insurance protection that, from its earliest days, the Aetna has built its business through such representatives. They help you take prompt advantage of new forms of protection—they fit insurance to your individual needs—they tell you what to do in event of loss.

Remember, too, that when your insurance is with a capital stock company such as those comprising the Aetna Insurance Group, it is backed by both a paid-in capital and surplus. You are never liable for assessment.

Don't Guess About Insurance
—CONSULT YOUR LOCAL
AGENT OR BROKER

Since 1819 through conflagrations, wars and financial depressions, no policyholder has ever suffered loss because of failure of the Aetna to meet its obligations.

WARS	CONFLAGRATIONS	DEPRESSIONS
1846 Mexican War	1835—New York City	1819
1861 Civil War	1845—New York City	1837
1898 Spanish-American War	1851—San Francisco	1843
1917 World War I	1866—Portland, Me.	1857
1941 World War 2	1871—Chicago	1873
	1872—Boston	1893
	1877—St. John, N. B.	1907
	1889—Seattle; Spokane	1921
	1901—Jacksonville, Fla.	1929
	1904—Baltimore	
	1906—San Francisco	
	1908—Chelsea	
	1914—Salem	
	1941—Fall River	



Aetna Insurance Group

HARTFORD, CONNECTICUT

Aetna Insurance Co. • The World Fire & Marine Insurance Co. • The Century Indemnity Co. • Piedmont Fire Insurance Co. • Standard Insurance Co. of N. Y. • Standard Surety & Casualty Co. of N. Y.

the Edgewater Beach hotel, Chicago, Monday and a number of those who were in the city for the annual meeting of the American Life Convention sat in at the discussions with the committee of five. Travis T. Wallace, president of Great American Reserve of Dallas, is chairman of the committee.

Hear Business Bureau Man

The Des Moines Association of Accident & Health Underwriters will hold a luncheon Oct. 9 with Hal Sheridan of the Des Moines Better Business Bureau as the principal speaker.

Hold Okla. Congress Nov. 21

At the first fall meeting of the Oklahoma Accident & Health Association, Dr. Waldo Stephens of the Stephens Oil Company discussed post-war economic conditions and their influence on accident and health insurance. He formerly was a member of the faculty of Columbia University.

Floyd Becker, North American Accident, gave a short talk on his experience in the business.

President Malcolm White, Pacific Mutual Life, announced Nov. 21 as the date of the sales congress.

CHANGES

Mass. Bonding Changes in Philadelphia, Washington

C. E. Howard has joined Massachusetts Bonding as manager in Philadelphia. For the past six years he has been manager there for Royal Indemnity and Eagle Indemnity. John Doherty, who has been acting Philadelphia manager in the absence of Lieut. John Schroeder, now in the South Pacific, will continue as assistant manager.

William H. Thomson has been appointed assistant manager in Washington, D. C., for Massachusetts Bonding.

G. W. Erikson to Chicago

G. W. Erikson has been assigned to Chicago as supervising engineer for Globe Indemnity, Royal Indemnity and Eagle Indemnity. He has been occupying the same position at Pittsburgh.

Barnett Takes Coast Post

George H. Barnett has been appointed bond department manager of the Portland, Ore., office of General Casualty of

Seattle. Mr. Barnett has been special agent for American Bonding in Kansas City for 18 years. Mrs. Barnett has been assistant to the secretary of the Missouri Fire Underwriters Association for 12 years.

Pratt Rejoins Md. Casualty

Clarence Pratt, former special agent, has rejoined Maryland Casualty in Portland, Ore., after an absence of more than two years. He has been given a medical discharge from the army air corps after serving through the Sicilian, African and Italian campaigns.

Harold A. Baker, who has been special agent of Aero Insurance Underwriters in Los Angeles, has joined Allstate.

John Harrigan, for 12 years claims attorney of Travelers in Minneapolis and Waterloo, Ia., has resigned to engage in the general practice of law at Stillwater, Minn.

Arthur Hicks of the Hicks - Mattson agency at Joliet, Ill., was honored on his 30th anniversary in the agency. Representatives of Aetna Casualty, Aetna Life, Automobile and Standard Fire at Chicago were hosts at a dinner.

SURETY

New Official Bond Setup Proposed in Nebraska

LINCOLN, NEB.—The legislative council, composed of 15 members of the legislature, has recommended that at the next session a law be enacted creating a board of state officials with authority to decide what state employees shall be bonded in the future and that their premiums be paid by the state. This recommendation was made by a committee headed by Senator Cliff Ogden, Omaha insurance man, which recommended that the board be composed of the governor, auditor, treasurer, attorney general, secretary of state and the state purchasing agents.

The council also ordered a bill to be drawn protecting district court clerks and county judges from liability on deposits with them of trust funds. It provides that for the district court clerks the district courts shall designate depositories and that the county board shall act for county judges. State Auditor Johnson, supporting the bill, said in some instances county officials are keeping these trust funds in cash because now they have no protection in case of bank failure.

There are 516 state officers and employees now required to furnish bonds. Of the 162 who are paid from the general fund, 82% paid their own premiums. Of the 353 remaining that are paid out of cash funds, two-thirds paid their own bond premiums, while the remaining third had them paid by the state.

The tendency in recent years has been for the state to pay premiums for all newly-created officers, whereas those who pay their own premiums have been bound by laws that brought their offices into being.

Bond Producers Pick New Orleans

The National Association of Surety Bond Producers tentatively has decided to hold its 1945 annual meeting at New Orleans in January, the exact dates to be fixed later.

ASSOCIATIONS

Wis. Adjusters Open Season

MILWAUKEE—Forty-two attended the opening meeting of the Casualty Adjusters Association of Wisconsin. John McQuaid of the law firm of Wood, Warner, Tyrrell & Bruce reviewed the Wisconsin supreme court decisions dealing with joint venture, contributory negligence and assumption of risk. Congratulations were extended to E. L. Krenzin, claim manager in Milwaukee of Maryland Casualty, on his 25th anniversary with the company.

Reconversion Outlook Reviewed

LOS ANGELES—John L. Gaunt addressed the Casualty Insurance Adjusters Association on "Getting Back to Work." He warned adjusters to look for a lower purchasing power of the dollar following the close of the war but said that in reconversion industry will be returning to something with which it is familiar, whereas in converting to wartime production it encountered something with which it was entirely unfamiliar.

Transportation, he declared, probably will be the leader in reconversion due to the demand for movement of goods.

Welsh Addresses K. C. Group

The Casualty & Surety Underwriters Association of Kansas City at the first fall meeting, heard Wm. J. Welsh of Mann, Barnum, Kerdolf & Welsh discuss recent changes in the casualty business. He emphasized that improvements in the automobile liability and property forms have smoothed out embarrassing competitive problems. The

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Minnesota	•	Missouri	•	Montana	•	Nebraska	•	Ohio		
Oklahoma	•	North Dakota	•	South Dakota	•	Wisconsin				

Why Modern Business Needs the Modern Coverage of



COMPREHENSIVE LIABILITY INSURANCE

American Auto's Comprehensive Liability Policy streamlines liability insurance for the modern business. While formerly the business man bought a number of separate policies, each designed to cover a specific kind of liability loss arising out of his business operations, now he can buy a single, all-purpose policy.

This one policy automatically adjusts its protection to meet practically every hazard of liability loss (known or unknown) arising out of the operation of a particular business. It eliminates guesswork, simplifies insurance purchasing, and assures adequate, *all-in-one-policy* protection.

It not only broadens the coverage as a whole, but eliminates the often costly imperfections of the outmoded piecemeal method of insuring against business liability hazards. In bridging the gaps against *unforeseen or unknown liability*, it becomes the modern policy for today's modern business.

In the American Auto Manner

To the buyers of insurance, the competent advice and personal services of an accredited Agent or Broker are considerations of paramount importance.

The accredited Agent or Broker counts it his first responsibility to determine that the insurance company he represents can and will faithfully discharge its policy obligations promptly, fairly, and cheerfully at all times.

American Auto is represented by accredited Agents and Brokers throughout the United States and Canada because it has the stability of position, the character of personnel, and a record of performance which commend its protective services to insurance men and insurance buyers everywhere.

Broadest Form Comprehensive Contracts Automobile and General Casualty

Owners', Landlords', and Tenants'
Workmen's Compensation
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Personal Liability
Automobile
Elevator
Burglary
Owners' and Contractors' Protective
Manufacturers' and Contractors'
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comprehensive personal liability policy is an excellent one and represents the development of liberalized thinking over a decade, he said. The producer is missing a bet if he doesn't fill in any spare moments he has selling the coverage.

At the October meeting, President Cliff Johnston announced there would be a question and answer program on recent changes.

Ohio Managers Meet Oct. 23

The Ohio Association of Casualty & Surety Managers will hold its next meeting in Columbus Oct. 23 at the time of the annual convention of the Ohio Association of Insurance Agents.

PERSONALS

Franklin Doughty, former resident manager of Liberty Mutual in Rochester, N. Y., and now service manager, general sales division, in New York City, was honored by the Rochester Junior Chamber of Commerce for his achievements as vice-president of the state Junior Chamber of Commerce and for his work as chairman of its recent safety drive.

Max A. Goldstein, Aetna Casualty producer in Chicago, will mark his 25th anniversary Oct. 10.

W. Stanley Kite, president, and **Robert W. Hearne** vice-president of Manufacturers Casualty and Manufacturers Fire, are making an agency visit to Seattle, Portland, San Francisco, Los Angeles and San Diego. En route they stopped at Chicago to confer with Byron Sommers, the manager there.

Lew H. Webb, head of Conkling, Price & Webb of Chicago, and president National Association of Casualty & Surety Agents, has sold his home and

he and Mrs. Webb are residing at the Edgewater Beach Hotel in Chicago.

Arthur J. Carlson, foster son of **George F. Manzelmann**, president North American Accident, Chicago, lost a leg at the battle of Tinian Island and is now in a hospital at Mare Island, San Francisco. He was flown to a hospital at New Hebrides and then to Mare Island. He was a corporal in the tank corps, being a turret gunner. It will be necessary for him to have an artificial leg as an amputation had to be made above the right knee. Mr. Manzelmann will leave Saturday for the west coast to be with him.

DEATHS

John C. Loucks, 77, former Indianapolis fire chief and one of the founders of Police & Firemen's Insurance Association, which writes health and accident for police and firemen, died at his home in Indianapolis. He had served continuously as president of the association since its founding in 1913.

Louis R. Brock, 68, for 41 years in the liability statistical department of Aetna Casualty, died in Hartford after a brief illness.

Edward J. Halleman, supervising underwriter for Zurich until about a year ago, when he went with Western Electric to do special work in connection with a bomber at Alamogordo, N. M. Prior to joining Zurich he served with Union Indemnity and later with Globe Indemnity.

Westra Madison Speaker

The Madison (Wis.) Accident & Health Underwriters Association had its first fall luncheon meeting Monday with 21 present. J. D. Westra, educational director of North American Life

Vermont Agents Hold Convention

(CONTINUED FROM PAGE 25)

agents at the present time is the intention of finance companies to take over the automobile insurance business lock, stock and barrel when the war is over, he said. That doesn't mean just fire and theft insurance, the greater part of which has been lost to agents for some time in the past, but with liability insurance as well. He suggested that this is a problem the agents must lick when the state legislature meets next. Plans already have been made and work started.

Carroll's Talk

There are three groups interested in the effect of a better qualification law, Mr. Carroll stated, the public, companies and agents. Prior to Mr. Carroll's appointment, the tests of knowledge pertaining to insurance matters for obtaining a license in Rhode Island were ridiculously simple so that the public could place little or no reliance on them. He pointed out that the public knows that the amount of the premium dollar earmarked for the producer is not merely paying for producing the business. The public knows and expects this fee to pay for a continuing service throughout the life of the contract, he said. In delivering less than that to his clients the agent is perpetrating a fraud on the public generally, Mr. Carroll asserted. Unless the loopholes in the statutes are plugged and unqualified agents no longer appointed, the insurance buying public is subject to severe financial loss, he said, mainly due to the ignorance and incompetence of certain types of agents.

Mr. Carroll said that in Rhode Island the insurance companies provided the

& Casualty, talked on the "Value of Knowledge in Selling."

only opposition to stricter qualification requirements. However, he said, there has been an appreciable change in this attitude of company groups.

Mr. Carroll suggested some reasons for this changed attitude. While companies may be willing to pay losses strictly in accordance with the policy's provisions, too often the contract has been improperly sold or not properly explained, he said. The ill will emanating from one dissatisfied customer is more than sufficient to offset the effect of many satisfied clients. Since this is true, all the public relations funds and activities will not produce the results of an increased professionalization of agency forces. In the past company management has strongly felt there should be practically no hindrance in the exercise of its right to appoint almost any person it saw fit. This attitude seems to stem from the mistaken theory that since the company is responsible for the acts of its agents, it should be the sole judge of their qualifications. Mr. Carroll said he has yet to hear of companies assuming responsibility for the losses caused by the ignorance of their agents.

Examinations Are Memory Test

For too long state examinations have consisted of simple questions, the answers to which are often publicly or privately published, which have been no test of knowledge of insurance matters but merely a memory test, he said. The field men are not to blame because too often their jobs depend upon making appointments and the pressure of the home office is apparent. He suggested that this is a short sighted policy in view of the losses that the incompetence of one agent can cause a company, and

ALLSTATE

ACCEPTANCE

This is Allstate's 13th consecutive year of increased premium volume.

Our able field forces have reason for congratulation on this outstanding showing... yet they would be the first to admit that Allstate *acceptance* works strongly to their advantage.

It is an acceptance solidly built on educational methods... not to change companies... but to *insure*.

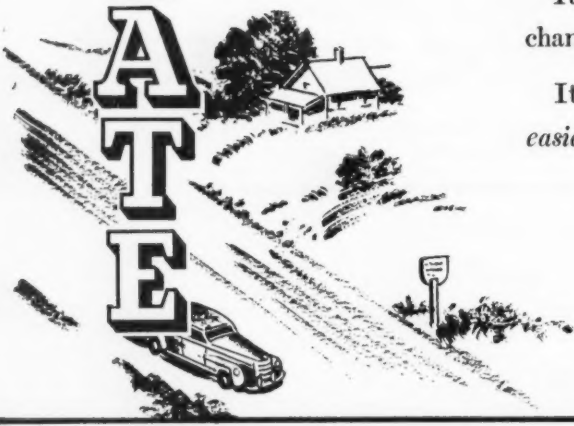
It is a fundamental, deep-rooted acceptance that makes Allstate *easier to sell*.



ALLSTATE

ALLSTATE INSURANCE COMPANY ALLSTATE FIRE INSURANCE CO.

HOME OFFICE: 20 N. WACKER DRIVE, CHICAGO



WDC

Was a men figure insuranc the fr duced prorati paid lo agent Since premi in a sh if only basis f

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Average

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the aggregate cost must be large to the companies of supervising a number of such agents, paying two men to do one man's work. The cost of so much field supervision goes into the rate and the public pays for it, he said. The company is far better off with 10 good agents than 50 mediocre agents, he declared. They will get more business at lower cost and the business will be better. What is far more important there will be fewer dissatisfied policyholders.

Unfortunately the public does not differentiate between qualified and unqualified agents since they both hold the same type of license in the state, he added. The day must come when agents will be given the opportunity to qualify themselves in such a way to set them apart from the unqualified or indifferent licensee and receive the right to a professional designation.

In rural states such as Vermont there must be part time agents, and in Rhode Island proposed legislation did not abolish part time agents, but did provide a sound requirement that they qualify in the same manner as full time agents. A lawyer, physician or accountant who intends to devote only a portion of his time to his profession still has to show the same qualifications as those devoting all of their time to that work. A mistake by a part time agent is just as costly to the policyholder as one made by a full time agent, he said.

Mr. Carroll suggested that insurance needs a central research office where able men of experience and imagination could plan what is best for the whole business and not particular branches of it. Many in the business believe they are thinking about problems when they are simply worrying about them. What is needed is someone to think ahead and be alert for the dangers to the business, he said.

WDC Return Premium Ruling

War Damage Corporation has issued a memorandum (No. 50) telling how to figure return premiums where additional insurance has been purchased during the free extension period and later reduced wholly or in part. The basis for prorating shall be the last full premium paid less fees of producer and fiduciary agent plus the additional premium. Since there are no fees on additional premiums the prescribed method results in a slightly lower return premium than if only the additional premium were the basis for prorating.

Purmort New Head of American Institute

(CONTINUED FROM PAGE 25)

more last year. Most candidates follow the advice of the institute and spread the work over several years. Thus 41 persons took only one examination, 48 took two examinations, 14 sat for three examinations, and only two persons attempted four examinations.

Over 100 Pass Exams

In addition to the 18 persons who have now received the C.P.C.U. designation, there are 107 others who have successfully completed one or more of the examinations. Of these, six have been credited with passing four examinations, 24 have received credit for three examinations, 43 for two examinations, and 34 have passed one examination.

Average Experience

The average age of examinees and also their years of insurance experience is quite high. Only 12 of the 120 persons who took examinations are under 30 years of age, whereas 13 are over 50 years, and 38 range from 41 to 50. The average age of the 12 candidates who received the C.P.C.U. designation is approximately 40 years.

Eighty-nine candidates have had over 10 years of insurance experience and only 13 have had less than five years.

Diplomas will be presented at exer-

cises to be conducted in New York, Chicago and Los Angeles.

CHICAGO C.P.C.U. LUNCHEON

A C.P.C.U. luncheon is planned for Chicago about Nov. 1, to be sponsored by various fire and casualty insurance interests, and at that time Messrs. Ayres, Donchin, Flora and Herzog of Chicago, and Werner of St. Louis, and Jamieson of Covington, Tenn., will be presented with diplomas at a special ceremony. At the same time consideration will be given to the creation of a local chapter, and there will be other

features of the luncheon which have not yet been finally completed.

Award Wash. State Auto Cover

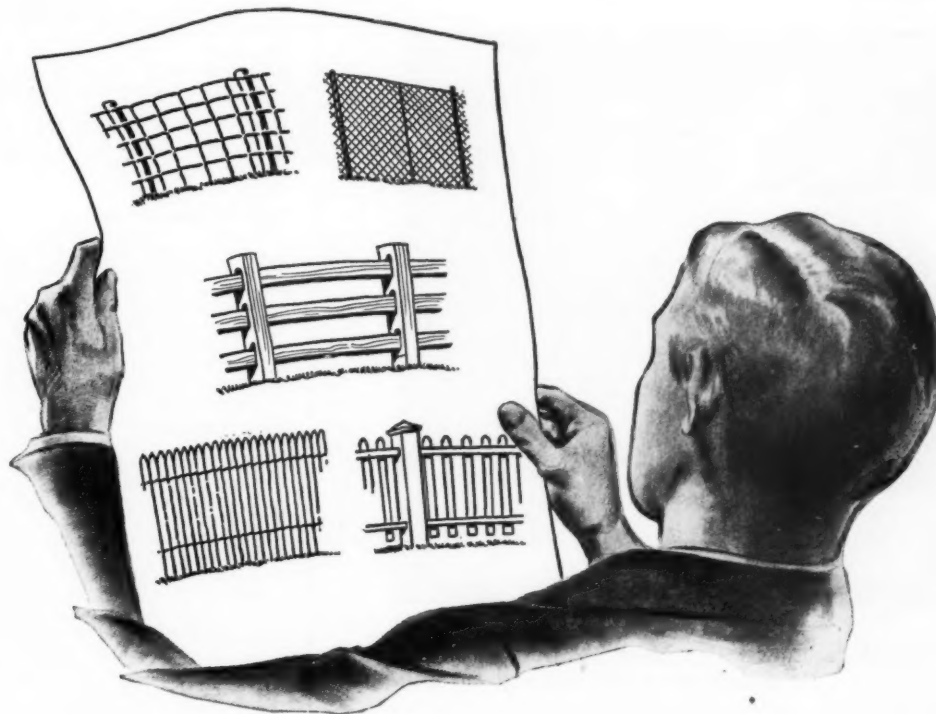
OLYMPIA—Pacific Indemnity was awarded the bodily injury and property damage insurance on the Washington state automotive fleet, with low bid of \$10,803. More than 2,700 units of equipment are covered for limits of \$10,000/\$20,000 public liability and \$5,000 property damage. Pacific Indemnity succeeds General Casualty as carrier on the line.

Other bids were: Truck Insurance

Exchange, \$14,656; National Automobile, \$17,919; General Casualty, \$19,223; London Guarantee, \$22,487; Columbia Casualty, \$22,561.

In the Chic Sale Field

WASHINGTON—The U. S. General Accounting Office has overruled or rejected a claim from a Mississippi woman for personal damages against the government based on alleged injury sustained in collapse of an outhouse. The claimant said the structure, built by WPA, was defective and "relapsed with me."



IF you were selling fences . . .

Your volume of sales would depend on a wide range of choice to meet individual needs for property protection.

Manufacturers' many types of policies in the Casualty, Fire, Inland Marine, Surety and Fidelity fields provide a wide choice of individualized insurance, . . . which just as directly affects the Agent's or Broker's sales volume.



MANUFACTURERS

Casualty Insurance Company • Fire Insurance Company

PHILADELPHIA

THE MANUFACTURERS COMPANIES ACCEPT BUSINESS ONLY THROUGH AGENTS AND BROKERS

General Accident Joins Associated Air Pool

General Accident has become a member of the Associated Aviation Underwriters. This organization is now made up of 41 stock casualty and fire companies.

E. H. O'Connor on Tour

Ed. H. O'Connor, executive director of the Insurance Economics Society of America, has started a fall tour of mid-western and eastern states, speaking before business and insurance organizations interested in securing more in-

formation on current social security proposals. He spoke recently before an insurance group in Detroit and before the Chamber of Commerce in Burlington, Ia.

He will address the Kansas Association of Insurance Agents annual meeting in Wichita, Oct. 19; Rotary Club, Monmouth, Ill., Oct. 23; Exchange Club, Toledo, O., Oct. 24; Kiwanis Club, Toledo, Oct. 25; a combined insurance group, Toledo, Oct. 26; the annual meeting of the Indiana Association of Insurance Agents, Indianapolis, Oct. 31, and the Connecticut Association of Insurance Agents, Nov. 9.



OFFICIAL NAVY PHOTO

This watchful sentinel with a Navy Task Force can't see into the future. He doesn't know how, when or where the enemy may strike. His chance of survival and that of his comrades depend largely on the skill with which they meet any conceivable emergency... on superb modern equipment which gives them the edge over anything the enemy can throw into the fight.

Our home front task, and yours, is to provide a barrier of insurance protection against the disasters of everyday living. American Casualty's broad comprehensive policies go far in eliminating any possibility of loss from unexpected and unpredictable hazards.

LIABILITY • AVIATION • FIRE • ACCIDENT AND HEALTH
BURGLARY • SURETY AND FIDELITY BONDS



American Casualty Company of Reading, Pennsylvania
American Aviation & General Insurance Company

READING • PENNSYLVANIA

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Analyzes Chief Problems in BBB for Chicago Group

Of all forms of insurance coverage, the lawyers like least the bankers blanket bond, Henry S. Moser of the Chicago law firm of Sonnenschein, Berkson, Lautmann, Levinson & Morse, said in a talk before the Surety Claim Men's Association there. There is probably as little litigation about this bond as about the Lord's Prayer, Mr. Moser said.

Neil H. Reynolds, claim manager of Century Indemnity and Standard Surety & Casualty, was elected chairman of the association, succeeding R. S. Joyner of Maryland Casualty. E. M. Kincy, superintendent of the bond claim department of Continental Casualty, was named secretary; and J. E. MacLean, Home Indemnity; John J. Funk, Fidelity & Deposit, and L. D. Wykoff, American Surety, were named to the advisory board.

Teller's Cash Shortages

The bugaboo of the bankers' blanket bond to claim men is teller's cash shortages, Mr. Moser said. The surety is liable for such shortages under form 24 in the absence of a clause similar to one in form 8 excluding them, if the loss is due to any cause described in parts A to D or form 24, including misplacement and mysterious and unexplained disappearance.

The legal answer to the problem is simple, but the claim men first have to determine if there has been a loss, he said. There may be an error in addition, subtraction, copying, etc. The practical difficulty is that it often costs more to determine there was not a loss than the amount involved, he said. Such shortages are due mostly to overpayments to customers. Proof can be made through recollection of the teller, a discreet checkup with the customer, and an admission on the latter's part. But the bank is reluctant to quiz its customers, and if it can establish there was an overpayment there is no coverage, he said. If not, then the surety pays.

A number of such losses depends on the general care exercised by the bank, on the experience of tellers particularly, Mr. Moser pointed out. The surety can do little to hold such losses down except to aid the small banks in training tellers.

Probably the only ideal answer is for the bank to carry its own insurance for a minimum amount and the sureties offer protection for the excess. The bank under those circumstances will exercise greater care, and the surety would be relieved of the expense of investigating small losses, Mr. Moser said. However, an insurer doesn't like to do anything that will reduce premiums, and this move would be inconsistent with the previous history of the coverage, which has always been in the direction of broader protection.

Mr. Moser cited a court case to show that "misplacement" has not been and probably won't be extended to cover situations not anticipated by the underwriters. He concluded by pointing out that the chief bankers blanket bond

State Regulation, Taxes Safe

(CONTINUED FROM PAGE 26)

Mr. McHaney alluded to the Clayton and Robinson-Patman acts. The only possibility of interference to the life insurance business from the latter statute, he said, is the so-called brokerage section. Whether the act applies to insurance depends upon whether insurance is a "commodity." Justice Black of the Supreme Court, Mr. McHaney suggested, purposely left that question for further consideration.

The federal trade commission, the speaker asserted, has the duty to discover and make explicit those unexpressed standards of fair dealing which the conscience of the community may progressively develop. In this act, he said, the government has an agency that may assume the duty of regulating many aspects of insurance and if FTC should act insurers "would become a pawn to be shuffled between state and federal supervision." For this reason if for no other the lines between federal and state supervision must be clearly drawn by adequate legislation.

Mr. Dechert, among other things, declared that the life insurance groups considered at one time intervening in the S.E.U.A. case but decided against it on the theory that some of the arguments that might be advanced "would come back to haunt us." Many of the observations of the dissenting justices, he declared, that are causing trouble are echoes of the arguments that were advanced by the fire insurance attorneys.

State taxation, he declared, produces substantial equality throughout the country and he expressed the opinion it can be upheld.

D. G. Adams in New Post

David G. Adams, former claims representative of the eastern railroad department of Pacific Mutual Life in Chicago, has been appointed office manager of that department, succeeding J. V. Swartz, who has retired after 28 years of service.

J. R. Mackay, 70, recently retired as Pacific Coast manager of St. Paul-Mercury Indemnity because of illness, died in San Francisco following a stroke. He had been with the organization since 1910 when he became automobile manager for the old general agency firm of Christensen & Goodwin. Later he became a partner in the firm and was named manager of St. Paul-Mercury Indemnity when it entered the coast territory. He was a native of Nova Scotia.

problems are not legal but underwriting in character, and that these undoubtedly will increase with the extent of the coverage afforded. He said that the insurance people have done a difficult job in an excellent fashion with the bond.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Joint Parley Held in Waukegan

WAUKEGAN, ILL.—A successful joint golf outing and dinner was held by the Lake County Life Underwriters Association and the Waukegan Board of Underwriters with Nathan Diamond, Connecticut Mutual, president of the county group, and Clyde L. Van Sickle, board president, as co-hosts. S. L. Bassett, Western Adjustment, Waukegan; C. L. Fisher, Retail Credit Company, Waukegan, and Charles D. Spencer of THE NATIONAL UNDERWRITER spoke. E. F. Wightman proved an able toastmaster and Joseph J. Drobnick announced the golf prizes.

The smoke provision in the extended coverage endorsement is the most troublesome from an adjusting standpoint, Mr. Bassett pointed out. It is well for agents to explain to their policyholders that damage caused by smoke from fireplaces is not covered and that protection is provided only from smoke damage from faulty operation of the central heating plant.

Explosion Cover Explained

Dwelling fire policies provide coverage against inherent explosion and the extended coverage endorsement covers all explosions, Mr. Bassett explained. As an example, he told of explosion losses caused by blasting in the river at Ottawa which were covered by the extended coverage endorsement but not by the fire policy alone. This makes an effective selling point, he emphasized. Inherent explosion is not covered in mercantile fire policies but by adding the extended coverage endorsement full protection is given.

Fire insurance is the only business which is giving its customers more for less money, Mr. Bassett emphasized. Dwelling policies have been broadened and further liberal provisions are expected. In urging local agents to cooperate with adjusters, Mr. Bassett told how the adjusters were swamped with hail claims in Peoria and that it was necessary for claimants to await their turn. Peoria agents cooperated by explaining the situation to their insureds which eliminated much confusion and dissatisfaction. In answer to a question, Mr. Bassett said that steam boiler losses are not covered under the extended coverage endorsement because of the greater hazard involved and that it is necessary to have a casualty policy on steam boilers.

Write Better Class of Business

Inspection reports enable agents and companies to write a better class of business, Mr. Fisher pointed out. Information for reports is secured through logical sources. Employers are prime sources because they have a good idea of the reliability and habits of their employees. As a last resort, information may be sought from neighbors but such data is carefully weighed to eliminate prejudicial opinions. No unfavorable information on character is divulged unless it can be proved.

If an agent is dissatisfied with a report on a risk, a special representative is sent out to recheck the information. This serves as a club over the head of the resident inspector to be certain of his information in the first place. If people object to inspections, they can be told that they are similar to a bank check-up before a loan is made. Most people are willing to have inquiries made concerning them unless they have something to hide. Mr. Fisher asked that agents co-

operate in giving past addresses in requesting reports as two years' identification is guaranteed. Frequent changes in residence under wartime conditions makes it more difficult to secure data.

There were a number of guests including E. Irving Fiery, manager, and J. E. Murphy, executive field representative of Royal Indemnity in Chicago, and Charles J. Beal, Royal-Liverpool group state agent.

New General Agency Is Formed in Indianapolis

Failing & Hill is a new general agency in Indianapolis, just formed by Harvey M. Failing and Ralph W. Hill to write all lines of insurance except life. Mr. Failing has been state agent of Automobile for 14 years. He started with the Indiana Inspection Bureau, then was in the field for Great American and later for Home in its special risks department.

Mr. Hill has been with Aetna Casualty in Indiana 21 years and at the time of his resignation was superintendent of agents.

They have taken general agency contracts with Standard Fire of New York and Standard Surety & Casualty of the Aetna Fire group; Mechanics & Traders and Central Surety. They have opened offices at 415-416 Merchants Bank building, Indianapolis.

Committees Are Named for Ill. Agents Annual Rally

Committees to handle arrangements for the annual meeting of the Illinois Association of Insurance Agents at Rockford Nov. 9-10 have been appointed by Allen L. Sparks, vice-president of Region 3 and chairman of the general committee on arrangements. The chairmen are: Arrangement and registration, J. A. Johnson, Jr.; housing, William H. Jennings, Jr., past president Illinois association; publicity, William Carri-rico, Dorothy Morrison, Victor Engstrom, and Walter Woodward, co-chairmen; reception, L. S. Augspurger, and ladies entertainment, Mrs. Trahern Ogilby.

Van Vechten to Be Host to Ohioans at Milwaukee

J. F. Van Vechten, Akron, president Ohio Association of Insurance Agents, will give a breakfast in Milwaukee Oct. 9 for Ohioans who are attending the meeting of the National Association of Insurance Agents. A large number of Ohio men are expected to attend, marking the reaffiliation of the Ohio association with the national group. Mr. Van Vechten was selected by the Ohio trustees to act as state national director until this office is officially filled at the Ohio meeting Oct. 23-24.

Julian Succeeds Sellers as Ohio Bureau Manager

In response to a desire expressed by the late Truitt B. Sellers, manager of the Ohio Inspection Bureau, Roy E. Julian, assistant manager, has succeeded to the position of manager. J. A. Yonker continues as assistant manager. He has been with the bureau a number of years.

Mr. Julian joined the bureau as an inspector in 1910. For part of a year in 1913 he was associated with Agricultural. He served in the first world war, later returned to the inspection bureau

and has been assistant manager since January, 1923.

Freeport, Moline Agents Associations Elect

Two agents associations of Illinois have just elected new officers:

Freeport—President, Graydon Powell of C. F. Hildreth & Co.; vice-president, H. W. Hamilton of Hamilton & Boeke; secretary-treasurer, William Metzger, Taylor & Frick; directors, Arthur Franz and H. C. Tempel.

Moline—President, W. H. Efflandt; vice-president, Carl Walker; secretary, Harley Moorhusen; treasurer, Victor L. Allen.

Doyle Elected at St. Joseph

ST. JOSEPH, MO.—Thomas P. Doyle, John A. McGee agency, was elected president of the St. Joseph Underwriters Association at the annual meeting. Other officers are: Vice-president, Carl Chipp, Chipp & Chipp; secretary, Kenneth Robinson, John W. Brown agency; treasurer, L. O. Weakley, Sr., L. O. Weakley & Son. On account of the illness of Mr. Weakley, who has served as treasurer for 20 years, Lewis S. Stubbs was appointed acting treasurer.

A more active fire prevention and safety campaign was determined on and the services of the association were offered to the St. Joseph school district in making a complete fire prevention and safety survey.

Cleveland Course Instructors

Instructors for the course in fire insurance of the Insurance Board of Cleveland include George H. Wilkinson, National Fire; A. W. Henry, Jr., Phoenix of Hartford; J. L. Magenheimer, North British.

Instructors in the casualty course are T. J. Tipper, Aetna Casualty, Richard Harris, Employers group, and W. E. Harn, U. S. F. & G. Surety and inland marine courses will be on the self-study plan.

Prevention Manuals to Schools

LANSING, MICH.—The Michigan Association of Insurance Agents in connection with Fire Prevention Week, is distributing among school libraries in the state 400 fire prevention manuals prepared by the National Board. School authorities have promised their cooperation in calling attention of students to the educational material contained in the book.

Kan. Fire School in Wichita

More than 400 were registered at the Kansas fire school in Wichita which was highly successful from all angles. A cash prize of \$10 for the best Fire Prevention Week suggestion, offered by the Kansas State Fire Prevention Association, went to a rookie, Fireman O'Brian of Wichita. President N. K. Nelson, Great American, made the presentation.

Toledo Prevention Essay Contest

The Toledo Association of Insurance Agents is sponsoring an essay contest in the public and parochial schools during Fire Prevention Week. The contest was arranged by Frank B. Kase of Picton-Cavanaugh, and the theme is what can be done to prevent fires in homes. There will be 27 prizes in war bonds and stamps ranging from \$1 to \$25.

New Nebraska Fire Marshal

Van L. Taylor, state fire marshal for Nebraska, has resigned after slightly more than a year in office to become

readjustment allowance agent for the Veterans Administration. He will serve as liaison man between that agency and the state division of unemployment insurance, which serves as the state agency to service claims of returning veterans. Lloyd Mengel, state sheriff for the past four years, has succeeded him as state fire marshal.

Boiler Talk to Wichita Agents

A. C. Ambrosia, who recently joined the Wheeler, Kelly, Hagney agency in Wichita after several years with Hartford Steam Boiler in Kansas City and Detroit, addressed the Wichita Association of Insurance Agents on "Steam Boiler Insurance." He is conducting a course on the subject for the Wichita Association of Insurance Women.

NEWS BRIEFS

H. W. Taylor, Jr., formerly Detroit local agent, has joined Byrnes-McCaffrey as a solicitor. He recently received a medical discharge from military service. Joining the American Field Service as an ambulance driver, he was assigned to the British 8th army and was severely wounded in action near Cas-sino.

David C. Elliott, auditor of Michigan Millers Mutual Fire and with that company for 18 years, has purchased a half-interest in the Fred J. Stringham agency in Lansing and will be active in the business. The name has been changed to Stringham-Elliott agency.

Keck's agency at Fairbury, Ill., marked its 25th anniversary of representation of Aetna Life affiliated companies. The agency is operated by Perry and Karl Keck, brothers.

Western Adjustment has opened a new office at Emporia, Kan., in charge of Larry Ramsey.

Officers of the Insurance Women of Racine, Wis., are: Martha Roush, president; Grace Benson, vice-president; Virginia Larsen, secretary, and Cathrine Bonini, treasurer. G. F. Risley, Milwaukee, state agent Great American, spoke on fire insurance rate reductions and the new dwelling and contents form.

The Indianapolis Association of Insurance Women has been presented a banner for placing third in a membership contest sponsored by the National Association of Insurance Women.

The Insurance Women of Columbus will start a course on automobile insurance Oct. 9. J. M. McGarry, Buckeye Union Casualty, will be instructor.

The Madison (Wis.) Insurance Women will resume their fall meetings Oct. 10.

Ralph Pratt has resigned as manager of the state liquor store at New Market, Ia., to open a local agency.

The Greenwood Agency, Lake Mills, Wis., which has been operated by Mrs. Robert Greenwood since the death of her husband in 1938, has been sold to Ben Samson, Sr.

Miss Helen Maletz, for some years with the O. L. Stamm agency, Pittsburgh, Kan., has become a partner in the agency.

SOUTH

Fire Rates Are Reduced in Miss.

JACKSON, MISS.—A \$287,000 annual rate reduction in Mississippi fire insurance premiums, effective as of Oct. 1, has been announced by Commissioner White. The reduction affects new and renewal policies as of Oct. 1.

The rate reduction on farm property will result in a premium decrease of about \$165,000 a year, and that on all classes of residential property including

household goods, in one of around \$162,000, according to Commissioner White. Apartments and boarding houses are included.

This is the sixth fire rate reduction in seven years, according to Mr. White.

Of the estimated \$287,000 savings involved in the rate reduction \$165,000 is in the farm field. A change in schedules on farm property brings about most of the reduction. Farm barns and hay get especially advantageous treatment.

While dwellings of all classes enjoy a rate reduction the largest cut is on dwellings in class 10 or unprotected territory.

New Kentucky Rule on Tobacco at Auction Sales

LOUISVILLE — The old argument about liability in event of tobacco being burned while on auction or loose leaf floors, and the question of ownership at time of loss, will probably be cleared by a change in the suspension of liability clause, which the Kentucky Inspection Bureau will issue shortly.

Under normal methods, the farmer brings his tobacco to the loose leaf floor to be offered at auction. A tobacco

company, buyer or leaf trader will make an offer. The farmer has a given period in which to accept or reject. The buyer cannot withdraw the offer. After the tobacco is sold there is generally an interim between the time of sale and the time the buyer actually takes possession.

Under the new rule, there will be a three-day liability after sale, which will fall on the warehousing company. If the warehouse does not insure tobacco on its floor, liability will be on the farmer. The buyer of the tobacco will not be liable in event of its being burned for a period of three days after the sale, unless he has removed it from the floor in the interim.

Graves Attacks Federalization

Strongly attacking the attempt to federalize insurance, as manifested in the decision of the U. S. Supreme Court, Commissioner Graves of Arkansas told the Little Rock Kiwanis Club that the insurance buying public at large cannot help being adversely affected by this decision.

He reviewed the recommendations with regard to legislative relief worked out by the executive committee of the National Association of Insurance Commissioners.

Mahoney Made President of Dallas Association

DALLAS—M. Kenneth Mahoney has been elected president of the Dallas Insurance Agents Association by the directors. He is a son-in-law of Harry I. Maxson, veteran local agent with whom he is associated in the Dallas agency of Maxson-Mahoney-Turner. Alphonso Ragland, Jr., and George F. Cox were chosen vice-presidents and B. L. Morrison, secretary-treasurer.



M. K. Mahoney

Directors: John A. Barr, immediate past president; R. W. Thompson, past president; T. A. Blakeley, Ross W. Brown, John L. Burke, W. C. Miller, Jay Russell Smith and Richard V. Works.

New Tulsa Insurance Program

TULSA, OKLA.—The city commission has adopted an insurance plan, to be submitted to city officials after a comprehensive study and survey by the Tulsa Insurance Board, which will give the city five times its current coverage with only a slight premium increase. Under its provisions the city will deal direct with the insurance board.

The survey revealed that certain city properties were overinsured and others underinsured. The proposal calls for one blanket fire and extended coverage policy for \$2,180,000 covering specific properties, an increase of \$1,690,730 over the coverage under the former plan, in which 54 agents participated. It involves an increase of only \$107 in premium, which was made possible by eliminating unnecessary insurance, removing fire

hazards and installation of additional hydrants.

U. & O. Confab in Dallas

Local agents and company representatives in Dallas held an informal discussion of the technical aspects of use and occupancy coverage, as a part of an effort to get a general review of such insurance in Texas.

Oregon Mutual in Texas

Oregon Mutual Fire has entered Texas and will be represented by Rupley-Frutes Company of Dallas.

Presley Back from Army

Parker Presley has returned to his position as special agent for Cravens, Dargan & Co., Houston, following two years in service.

Giles M. Robertson has become a partner in Claiborne, Goodridge & Goddin, Richmond agency. Other members of the firm are A. T. Goddin and Fergus A. Goodridge.

J. H. Leachman has retired from the Simms & Leachman agency, Springfield, Ky., which is being merged with the J. R. Montgomery agency as Simms & Montgomery.

W. W. McClanahan, Sr., has purchased his partner's interests in the Robertson County Insurance Agency, Springfield, Tenn., which he helped organize in 1912. Mrs. Marjorie F. Easley will remain as office manager.

Alberts Succeeds Gillespie

TORONTO—Indemnity of North America has appointed Edgar T. Alberts casualty manager for Canada, succeeding R. S. Gillespie, who has been recalled to the head office in Philadelphia. Mr. Alberts has been associated in casualty field in Canada for 22 years.

Maurice Pelletier of Quebec City has been appointed fire marshal of the province of Quebec, succeeding Romeo Gingras, resigned.

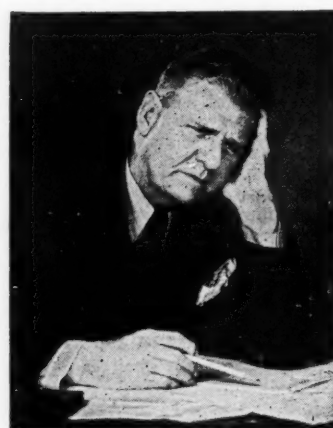
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PACIFIC COAST AND MOUNTAIN

Self-Insurance Is Proposed in Utah

SALT LAKE CITY—A state self-insurance fund to handle Utah's insurance and surety bond needs was proposed at a meeting of the state legislative budget committee at Provo. The proposal was presented by G. T. Hyde, chairman of the finance commission, in answering an inquiry of the secretary of the legislative budget committee.

"It has been the thought of the finance commission," Chairman Hyde stated, "that the state of Utah should carry its own bonds and that a fund should be built up to take care of any losses which may occur. Our recommendation is that the same rate should be paid into a fund as is charged by private bonding companies. We think this is only good business. Further we see no reason why the state law cannot be changed so that the state may also carry its own insurance. I am sure you are acquainted with the fact that the finance commission has favored both of these proposals, but the interpretation of the present law by the attorney-general has been that a definite amount of insurance must be placed with insurance companies and that bonds also must be carried with outside companies. If the legislature will change the wording of this law, the finance commission will be more than happy to make such arrangements as are necessary, so that the state may carry not only its own bonds but its own insurance."

"For several years the state has made money by placing its insurance with private companies, due to several fires that have occurred during the past two or three years. It is very unlikely, however, that these fires will continue for an indefinite time. We have had fires at the university, state armory, state fairgrounds, branch agricultural college, etc. However, over a number of years we are satisfied that it would be very much to the interest of the state if arrangements can be made to carry its own insurance."

No action was taken pending a study of the matter. Utah insurance men are highly wrought up over the proposal.

Guy N. Hedreen Joins Groninger & Co., Seattle

SEATTLE—Groninger & Co., general agents here, have appointed Guy N. Hedreen special representative and assistant manager of the fire insurance department. Mr. Hedreen, former Fire Association fieldman at Seattle, returns to insurance after an absence of over two years, during which time he served successively with the army air forces intelligence section at Boeing Aircraft Co., and with DuPont at Hanford, Wash.

Mr. Hedreen will also have charge of the Groninger & Co. engineering department. An engineering graduate of the University of Washington, he started in insurance in 1930 with the Washington Surveying & Rating Bureau, where he participated in the original rating of Seattle under the general basic schedule. He was subsequently transferred to the engineering department and was in charge of the northwestern part of the state.

Mr. Hedreen went with Fire Association here in 1936, traveling Washington, northern Idaho and later western Montana. He became an exponent of engineering, rate and appraisal service in the writing of industrial and commercial risks. In 1937 he delivered a paper on "Consequential Coverages" before the F.U.A.P. annual meeting in San Francisco.

Mr. Hedreen was a member of the committee which handled the Tacoma Narrows Bridge loss adjustment. He joined the army in April, 1942.

New Subrogation Rule in Northwest

Recent revisions of Washington, Oregon and Idaho rules have imposed restrictions upon the use of subrogation waivers. Formerly the subject was

rather loosely controlled, permitting agents and brokers to write into forms clauses flatly waiving all the insurance company's subrogation rights. The new rules permit a waiver, but only by agreement made prior to the loss.

The recommended clause, reading as follows, includes perils of the extended coverage endorsement and other hazards added to the policy: "Permission granted to release, by agreement made prior to loss, any third party from liability for loss from the perils insured against due to any act or neglect of such

third party."

To put their clients on notice of this change, brokers and agents are recommending that they review their situations and arrange waiver agreements with third parties such as associated or affiliated companies, where the requirement to subrogate the assured's rights against them would be inequitable or undesirable. The usual spur track agreements and similar contracts with railroads and other utilities contain a specific agreement which yields this right of the assured against the railroad or

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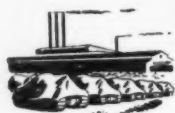
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utility. These agreements are not affected by the new rule.

Plans Are Completed for Arizona Agents' Meeting

The date of the meeting of the Arizona Association of Insurance Agents at the Pioneer Hotel in Tucson has been changed from Oct. 24 to Oct. 26. The afternoon of Oct. 25, the executive committee and board of directors will hold its final meeting. This will be devoted primarily to a review of the legislative program on which the members are working.

The regular convention session will start the morning of Oct. 26. It will be a closed session at which only members will be present. It will be devoted to hearing reports by the president, secretary-treasurer, national director, chairman contact committee, chairman membership committee. The meeting will be turned over then to Irving A. Jennings, Phoenix attorney, who represents the association, and he will outline in detail the legislative program which will be submitted for the approval of members.

Following luncheon there will be an open session for all. The new officers will have been elected by that time and they will be introduced. Probably the committees will be appointed by that time and will be announced.

There are two talks scheduled, one by J. M. Sakrisson of the Southern Arizona Bank & Trust Co. of Tucson, who will discuss automobile financing, and the other by Mr. Jennings, who will talk on the national legislative situation with respect to insurance.

The chairman of the convention committee is Kenneth Nehring of Tucson, who is president of the Tucson Association of Insurance Agents. He will be assisted by Paul H. Jones of Tucson Realty & Trust Co., and W. E. David-

son, secretary-treasurer of the Arizona association.

Utah Committees Announced

SALT LAKE CITY—At a meeting attended by President W. J. Blackburn and the executive committee of the Utah Association of Insurance Agents, standing committees were appointed. Chairmen are: Francis B. Goeltz, Salt Lake, legislation; Ralph D. Callister, Salt Lake, immediate past president, contact; Carlyle C. Eubank, Ogden, publicity and public relations; Karl I. Pace, Salt Lake, education; LaVon Payne, Provo, membership; Sherman T. Hunter, Salt Lake, accident and fire prevention.

Mr. Goeltz announced that the association will sponsor the 26 weekly radio talks sponsored by the National Board, featuring Leland Stowe.

Agency Merger in Seattle

A new agency partnership, Yates, Riley & MacDonald, has been formed in Seattle by consolidating the business of Carter, MacDonald & Co. and the Seattle business of Norris, Beggs & Simpson. Principals of the new firm are Donald H. Yates and Ernest J. Riley of Norris, Beggs & Simpson and D. K. MacDonald, proprietor of Carter, MacDonald & Co. Mr. Yates will be in charge. Lt. Col. Riley is now with the army engineers in the Mediterranean theater. The new firm takes over the personnel of Norris, Beggs & Simpson. D. K. MacDonald & Co., Seattle insurance brokerage firm, continues as a separate entity.

New Wash. Governing Committee

President V. R. Lee of the Washington Association of Insurance Agents has announced the new governing committee, which includes W. H. Harmer, W.

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H. Scott and A. W. White, Seattle; James M. Blair, Puyallup; H. E. Carr, Bellingham, and H. D. Lasell, Aberdeen.

E. R. Bowden, Bowden, Gazzam & Arnold, Seattle, has been reappointed chairman of the legislative committee and Charles P. Carroll of the McGovern-Carroll Co., Spokane, as head of the contact committee.

Pierce County Dinner Oct. 5

The Pierce County (Tacoma) Insurance Agents Association will hold its second evening meeting of the fall season Oct. 5. It has been designated as "special agents night," field men and their wives being invited to attend. Joseph J. Pieper, FBI special agent, will speak.

Seligman to Preside at Parley

Mrs. Ada Brewer of the Brewer agency at Silver City, president of the New Mexico Association of Insurance Agents, will be unable to attend the annual meeting Oct. 9 in Albuquerque. Theodore Seligman of Albuquerque, vice-president, will preside.

NEWS BRIEFS

At the first meeting of the year the Insurance Women of Los Angeles had a patriotic program. Mrs. Elsie Steen Kelsey, a charter member of the club, who celebrated her 50th anniversary in insurance business Sept. 1 was elected to honorary life membership.

The Holland agency, Kent, Wash., has been acquired by Roy Beery, who has merged the business with his agency.

McDougal & Wheelock is a new agency formed by Malcolm McDougal and Kenneth H. Wheelock at Vashon, Wash. Mr. Wheelock, who is a member of the Seattle agency of Chastek & Wheelock, continues his active interest and management of the latter firm.

EAST

Experienced Men Lead Pennsylvania Agents

Morton V. V. White, the new president of the Pennsylvania Association



M. V. V. White



D. F. Ancona, Jr.

of Insurance Agents, is agency supervisor of the Clarence M. Stauffer agency at Allentown, with which he has been connected for 14 years. He has spent 20 years in insurance, having served as a special agent and underwriter in the New England states before going to Pennsylvania.

Last year he served as a director and member of the executive committee of the Pennsylvania association and was chairman of the public relations committee and a special committee appointed to cooperate with the insurance department in revising regulations governing the appointment of agents. In 1942-43 he was president of the Lehigh Exchange.

Vice-president's Career

Daniel F. Ancona, Jr., the new vice-president of the Pennsylvania association, entered the Ancona agency at Reading in 1929. In 1934 he became a junior partner with his brother Paul. Their father had retired officially in 1932. In 1936, when Paul Ancona died, Dan, Jr., took over the sole ownership. That year he became a director of the state association and has been active in it since. He was elected vice-president

two years ago and was reelected this year to one more term.

Goldthwaite Made Partner

Leslie C. Goldthwaite has been named a member of the firm of Field, Eddy & Bulkley agency, Springfield, Mass. Mr. Goldthwaite went to Springfield in 1916 as representative of White, Weld & Co., bankers. In 1936, he joined Field, Eddy & Bulkley.

Field, Eddy & Bulkley has represented Springfield Fire & Marine since 1868 and since 1912 has been general agent of Aetna Casualty.

Essex Agents Hear F.B.I. Agent

NEWARK—Milton R. Kaack, field supervisor of FBI, spoke at a dinner meeting of the Essex County Insurance Agents Association. Harry W. Kohler, New Jersey state agent of America Fore, discussed a plan for conducting a course on fire insurance schedule rating.

Haverhill Board Elects

The Haverhill (Mass.) Board of Fire Underwriters has elected these officers: President, H. Nelson Pingree; vice-president, H. Tenney Gage; secretary-

treasurer, Ernest F. Brooks; auditor, George E. Kendall.

The W. C. Woodburn & Son Agency, Jackson Heights, N. Y., completed its 50th year as solely representing the North British & Mercantile group. Secretary R. T. Stewart and Special Agent E. H. Place gave a luncheon in honor of Mr. and Mrs. Woodburn and presented him with an appropriate gift.

Wallace L. McIntyre has become production manager of the Woodward &

"Unforeseen events... need not change and shape the course of man's affairs"



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TRANSLATED, it means "Welcome on your visit." Day after day we're accepting his "welcome" and wiping that sly, toothy smile off his face. With guns... with riveting machines... with blood banks and war bonds... with everything that will avenge his treachery.

He's a tough customer. But Americans can handle tough customers—in business or in war. Talk won't batter down his resistance. But bombs and bullets will. That's the only language he understands.

There are a lot of insurance men helping in the job. Thousands are in the Armed Forces. Thousands more, ineligible for military service, are doing all

they can on the home front. Serving in the State Guard. Selling War Bonds—buying them. Cooperating in wartime restrictions.

And whether abroad or at home, all of them—agents, brokers, and employees—are fighting and working in defense of America... insuring its freedom and its liberty. Maryland Casualty Company, Baltimore.

ENLARGED REPRINTS of this advertisement, without The Maryland name, will be mailed on request to any insurance agent or broker for window or counter display. Write Advertising Division, Maryland Casualty Company, Baltimore 3, Maryland.

THE MARYLAND

ADVERTISEMENTS LIKE THIS APPEAR REGULARLY IN TIME-NEWSWEEK-U. S. NEWS-BUSINESS WEEK

Tyler agency, Waltham, Mass., and Jesse Gould & Son, Chelsea. He was a graduate of the business school of the University of Pennsylvania in 1925 and has been with the Boston general agencies of John C. Paige & Co. and Jordan, Read & Co.

The Insurance Women of Maryland have completed 56 hours of the 100-hour NAIA educational program. A class on burglary and plate glass, with J. H. Dittman and R. Glover Bauer, U. S. F. & G., as lecturers, started this week.

Judge Emory H. Niles, head of the rationing boards in Baltimore, will speak at the Oct. 10 meeting on "What Rationing Has Meant to the Public."

MOTOR

OPA Truck Ceiling Changes

The OPA has amended its rules on trucks and commercial trailers to produce an over-all change in ceiling prices. The new percentages, based on prices new, are: 1944, 1943 and 1942 sold new in 1942, as is, 81, and warranted, 103; 1943 and 1942 sold new in 1943, 81 and 103; 1942, 72 and 92; 1941,

Get Ready for Early Revival of Export Trade

Shippers of the country now are preparing to renew or to increase greatly their export shipments in view of the

62 and 80; 1940, 56 and 74; 1939, 53 and 71; 1938, 49 and 67; 1937, 44 and 62; 1936, 41 and 58; 1935, 37 and 54; and 1934, 33 and 50. Dealers now are liable for only half the expense that may arise under warranties.

Trucks and commercial trailers, produced in 1944 by 25 different manufacturers, are now being sold through dealers to civilians.

There are some slight changes on passenger automobile regulations, covering sales within 100 or less miles of zone boundaries, imported cars, etc.

favorable progress of the war, and the marine people are already getting a number of requests to put cargo policies in shape so there will be no delay when the goods start moving out. One firm in the midwest already has signed a contract with the Dutch government for repairing the pipe lines in that country. Quite a few firms not in the export trade before the war are preparing to enter the field as soon as shipping space is available. For some of them it is due to alteration in the character of product brought about by the war and for others it represents simply a new venture.

Insurance Preparations

There are a number of things an agency can do. It can check among its own customers for those who plan to enter the field for the first time, and they can get policies ready for those whose business abroad has been dormant since the war started. Even for those who have been exporting some goods, there will be preparations to make. Endorsements will need changing. Concrete ship, barge and similar endorsements needed during the war may soon be unnecessary.

Many of the policies probably will have to be rewritten. These are "open" contracts, not written on an annual basis, and some were put out 10 to 15 years ago. Perhaps the limit per ship is now out of date. The valuation clause has to be checked to determine whether the shipper wants to cover the invoice value alone, to include various charges such as the insurance premium, profits and so on.

There will be a big demand for shipping space to Europe for another year or two. Essentials may get the right of way. This means that the exporter may

have stuff piled up at a shipping point for quite a while. There will be some changes in the materials shipped. For instance, things previously made of metal may now be made of plastics, and how these react to the conditions and strains of a sea voyage is important. Packaging has changed a good deal because of the war. Beer in cardboard cases going to Dakar absorbed a lot of humidity and those at the bottom spread and disintegrated, causing the whole pile to collapse.

Heart of America Meeting

The Heart of America Blue Goose at its luncheon meeting in Kansas City had as guests W. B. Winchell, secretary of North British & Mercantile, who was a former most loyal gander of the pond and Cliff C. Jones, chairman of Kansas City F. & M.

Hugh C. Boswell, special agent of the Federal Bureau of Investigation at Kansas City, spoke on the subject "F. B. I. in Wartime."

It was voted to send a monthly mimeographed letter to the members of the pond who are in the armed service. Most Loyal Gander Alex Young, Hartford Fire, read the first letter to the members. Walter Scott, Jr., Home, is chairman of the speakers committee.

Roland H. Lange, special agent of Hartford Fire, member of the speakers committee of the Michigan State Fire Prevention Association, gave a fire prevention talk before a dinner meeting of the Hastings Chamber of Commerce.

W. W. Slocum, president of the United Savings Bank of Detroit, has been elected a director of Michigan Fire & Marine.

George B. Leonard, General Agent, Inc., has taken larger quarters at 239-241 Trust Company of Georgia building, Atlanta.



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He is not your competitor, but in stead, as a good neighbor, is always ready to help YOU as a LOCAL AGENT. He covers his territory thoroughly, is familiar with local conditions, and invites you to call upon him for cooperation or assistance.

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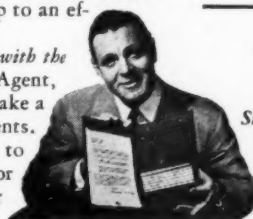
The chair that spoiled a happy home

By itself, this was the grandest, most comfortable chair in the world. Ask Fluther, the pup, if you don't believe us. Ask anyone who ever sank down deep in its come-and-forget-the-world cushions.

But . . . unfortunately, this chair was bought and put in a room *where it did not belong*. It stuck out like a sore thumb . . . didn't blend with the other furniture . . . screamed at every piece. Yes, poor planning spoiled the whole effect of everything in the room.

Many persons make the same mistake when they buy insurance for their homes or businesses. They buy *individual* policies here, there and everywhere . . . good policies by themselves to be sure . . . but from lack of proper planning, these policies seldom add up to an efficient or economical program.

That is why we say "See *The Man with the Plan*, your local Employers' Group Agent, before you buy insurance." Let him make a thorough analysis of your requirements. Let him go over your present policies to find the weak spots in your protection or coverages not in keeping with your



needs. Let him explain the many new Employers' Group short cuts to better protection . . . new low cost comprehensive liability coverages for your *entire family*, including pets . . . new family burglary insurance that gives more protection at a lower cost . . . accident insurance for your wife and children . . . extended coverages for your fire insurance . . . and several others.

Above all, let *The Man with the Plan* guide you in getting planned insurance . . . the only kind that gives freedom from worry over financial loss.

The Man with the Plan brings you news by Cedric Foster . . . Sunday evenings over a national radio book-up. Consult your radio page for time and station.



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THE EMPLOYERS' GROUP MAN IS THE MAN WITH THE PLAN

FMC HIGH PRESSURE FOG PROVED IN ACTUAL FIRE FIGHTING

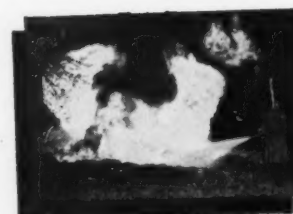
**PROPERTY ACTUALLY ON FIRE SAVED BY
KENT COUNTY FIRE DEPT. \$226,985.00**



BUNGALOW FIRES



BASEMENT FIRES



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TRUCK COLLISION FIRES



SMALLTOWN HOTEL FIRE



RURAL DWELLING FIRES

Fire Losses Reduced 'Way Below Average by FMC High-Pressure Fire Trucks in Kent County, Michigan

Look at the record! In the past year the Kent County organization made 201 rural runs with FMC High-Pressure Fog Fire Fighters. Property on fire saved—\$226,985.00—besides the thousands of dollars of exposed property saved. Total losses just 11—only a fraction of the rural average.

The report shows, beyond the question of a doubt, that a volunteer fire organization — equipped with FMC High-Pressure Fog Fire Fighters — can handle all types of fires.

It's the 600 lb. gun pressure! FMC High Velocity and Finely Atomized

Water! Just what you need to blast, cool and smother flame!

One gallon of this finely-atomized water fog, properly used, has the fire-quenching possibilities of many times that of low-pressure water. But remember — only the FMC High-Pressure Fog Fire Fighter packs the needed punch to produce and maintain 800 lbs. pump pressure — 600 lbs. nozzle pressure. No experimenting to be done by you because of unproved new ideas.

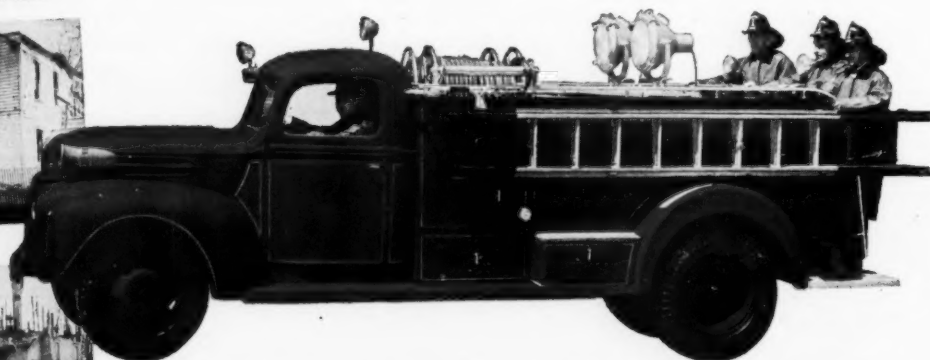
Get the facts about this new and revolutionary fire-fighting technique. Get ready to modernize — now!

FMC HIGH-PRESSURE FOG HANDLES ALL TYPES OF FIRES

Stores	Factories	Cars and Trucks
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Docks	Oil Fires	Airport Hangars
Transformers	Hotel Fires	Gas
Chicken Houses	Restaurants	Gasoline
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